THE ECONOMIC ASPECTS
OF THE
HISTORY OF THE CIVILIZATION OF JAPAN

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YOSOBURO TAKEKOSHI

THE ECONOMIC ASPECTS
OF THE
HISTORY OF THE CIVILIZATION OF
JAPAN

VOLUME THREE

65595

NEW YORK
THE MACMILLAN COMPANY
1930

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UNWIN BROTHERS LTD., WOKING

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CHAPTER LXII

SUMMARIZED LIST OF EDO TONYAS

The summarized list of Edo tonyas has been based on the first Tokumi tonyas founded in 1694 (7th year of Genroku), in order to show the changes and development at a glance, and at the same time to indicate the changes in the various kabus and tonyas which existed outside the Tokumi tonyas. As already fully described, the Tokumi tonyas was at first a combination of ten guilds of trades having similar interests in their transactions with the Osaka tonyas by means of marine transportation, but during the Kyoho era another twelve guilds were added, while still maintaining the name Tokumi Tonyas Guild. During the Bunkwa era the Tokumi Guild was altered to the Hishigaki Vessel Shippers' Guild, and the ten now numbered sixty-five. In investigating the trades, we may note that their business, when compared to that of the Kyoho and Kwansei eras, showed divisions of trade and tendency to specialize. What had been once a guild of those trading in many lines of goods was now a guild of those handling practically one line, each guild becoming a genuine trade guild. Within the sixty-five guilds there were the old Tokumi members and those who were added owing to the changes in the views of tonya co-operation, which now went beyond those having transactions with Osaka, and the inclusion of newly founded tonyas. The cause of such divisions in the guilds, and the tendency to concentrate in one line, was the development of the tonya trade which gave rise to special customs and transactions, with a consequent difference in interests. We may also note from the specialization the extent of development from the standpoint of economics.

The Existence of Tonyas besides the Tokumi.—Many of our writers have neglected the existence of Edo tonyas outside the Tokumi tonyas, but from the list it may be noted that during the Kyoho and Kwansei eras there were, besides the Tokumi, over fifty kinds of tonyas and over ten occupations having the rights of kabu and which may be classified as tonyas. It seems that these fifty were engaged in the trade with various territories, that is, the trade with the proximate markets of Edo and Oshu districts; and although the Tokumi tonyas monopolized the import trade with Osaka, there were many tonyas outside the Tokumi, e.g. the purple-dye tonyas, who exported to Osaka according to their line of trade. Many of the outside tonyas joined the Tokumi tonyas at the time of the tonya amalgamation during the Bunkwa era, but the majority still maintained independent guilds until 1841, when, through the actions of Tadakuni Mizuno, their trade was ordered to be abolished along with the Tokumi tonyas.

Revival of the Tonyas.—In 1851 general tonyas, and over one hundred other corresponding trades, were permitted to revive, according to the organizations and systems previous to the Bunkwa era; and although those openly revived were limited to the above-mentioned over one hundred traders, tonyas existing outside of those were also practically revived. From the above facts a general idea of the evolution of Edo tonyas may be obtained, and further, when viewed from the point of kabu, it may be noted that, whether they were legally recognized or not, there already existed kabus of the Tokumi tonyas during the Genroku era, and the others during the Kyoho and Kwansei eras. When we view the case simultaneously with other occupations, we may obtain an idea of the evolution of kabu shiki.

Rice Tonyas were outside the Tokumi Tonyas.—In the chapter relating to "Marine Transportation" we have seen that rice was shipped by vessels other than the Hishigaki and Taru vessels, but we have further proof from the list of the independence of the rice tonyas from the Tokumi. During the Genroku and Kyoho eras in the 18th century, the guild systems were most numerous in kind and number, and their organization and influence had reached their zenith. But in England the guild system had reached the highest point of development in the first half of the 14th century, and owing to the importation of commodities from abroad the system gradually waned in the latter half of the century. The development of the economic organizations of Japan was behind England by 300 years, and when we come to the Meiji era and find Japan behind England in many phases of economics and economic legislation we can give historical reasons for it.

NAMES OF THE TOKUMI TONYAS IN 7TH YEAR OF GENROKU (1694).

Lacquered ware dealers' guild. Lacquered ware and furniture tonyas.

Uchimise guild. Silk cloth, cotton goods, ginned cotton, dolls, and candie tonyas.

Omotemise guild. Tatami covers, green mattings tonyas.

Torimachi guild. Fancy goods, cotton goods, coarse goods, lacquered ware, and cutlery tonyas.

Cotton dealers' guild. Cotton tonyas.

Ichiban paper dealers' guild. Paper and candle tonyas.

Nail dealers' guild. Nails, iron, and copper goods tonyas.

Drug dealers' guild. Drugs and sugar tonyas.
Kashi guild. Liquid oil tonyas.
Saké dealer's guild. Imported saké, vinegar, and soy tonyas.

NAMES OF THE TWENTY-TWO GUILDS OF THE TOKUMI TONYAS IN THE KYOHO AND KWANSEI ERAS.

(During these periods twelve guilds were added.)

Lacquered ware dealers' guild. Lacquered ware and furniture tonyas.

Uchimise guild. Silk clothes, cotton goods, ginned cotton, fancy goods, dolls, and candle tonyas.

Omotemise guild. Tatami covers and green matting tonyas.

Torimachi guild. Fancy goods, cotton goods, coarse goods, lacquered ware, cutlery tonyas.[1]

Cotton dealers' guild. Cotton tonyas.

Ichiban paper dealers' guild. Paper and candle tonyas.[1]

Nail dealers' guild. Nails, iron, and copper goods tonyas.[1]

Drug dealers' guild. Drugs and sugar tonyas.[1]

Kashi guild. Liquid oil tonyas.[1]

Saké dealers' guild. Imported saké, vinegar, soy tonyas. (This guild resigned from the membership of the Tokumi tonyas in the 15th year of Kyoho.)[1]

Kashi guild. Iron and cotton tonyas.

Monger guild. Nails, iron, and copper goods tonyas.[1]

Ichiban paper dealers' guild. Paper, candles, and coarse goods tonyas.[1]

Shimbori guild. Paper and coarse goods tonyas.[1]

Sumiyoshi guild. Imported candles and coarse goods tonyas.[1]

Liquid oil. Sole importers.

Drugs and sugar tonyas.[1]

Rice-bran tonyas.

Earthenware tonyas.

Dried article tonyas.

Horidome guild. Tatami covers and coarse goods tonyas.[1]

The total number of the members possessing kabus in the Kwansei era numbered approximately 728 to 729. Names of those tonyas possessing kabus outside of the Tokumi guild in the Kyoho and Kwansei eras :—

Imported rice tonyas (8–9 members).
Kwanto rice three-kumi tonyas (2,526 members).
Local rice tonyas (345 members).
Kashi eight street rice brokers (25 members).
Wakimise rice tonyas (275–6 members).
Rice cleaners (2,100 members).
Open-air cleaners (1,100 members).
Cereal for Osaka guild (11–12 members).
Lumber and timber, Kumano tonyas' guild (37–8 members).
Bamboo Kawabe Ichiban kumi old tonyas (7,778 members).
Kiba lumber tonyas (12 members).
Lumber brokers (12 members).

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[1] These have been included in the list of names of the Bunka era.

Water-fowl tonyas (5–6 members).
Land-fowl tonyas (2 members).
Cage-birds tonyas (68–9 members).
Lacquer tonyas (3–4 members).
Lacquer brokers (17–18 members).
Saffron tonyas (12–13 members).
Local liquid oil tonyas (84–5 members).
Local soy tonyas (180 members).
Miso tonyas (310 members).
Fish oil tonyas (3–4 members).
Oyster-shell ash and line tonyas owning kabus (10 members).
Book tonyas (60 members).
Print-sellers tonyas (3,536 members).
Paper tobacco pouch tonyas (24–5 members).
Fan tonyas (20 members).
Calendar tonyas (20 members).
Sulphur tonyas (7–8 members).
Match tonyas (7–8 members).
Fish tonyas (380 members).
Salted and dried fish tonyas (160 members).
Stone tonyas (13 members).
Local salt tonyas (number of members unknown).
Local manufactured candle wick tonyas (280 members)
Floss silk tonyas (number unknown).
Charcoal and firewood brokers (1,200 members).
Toilet paper brokers (98 members).

The following lines were once members of the Tokumi in the Bunka era :—

Dry goods tonyas.
Liquid oil dealers.
Imported cured bonito, pickled plum, and fish tonyas.
Indigo ball tonyas.
Dried sardines, fish oil cakers, and fish oil tonyas.
Imported salt tonyas and brokers.
Paraffin tonyas.
Osaka leather tabi traders (nine kinds totalling about 300 kabus).
Official courier tonyas (89 members).
Six-guild courier tonyas (150 members).
Shipping-agents (70 members).
○ kabu owners outside of tonyas.
Money exchangers (643–4 members).
Line-cutter dealers (300 members).
Fudasashi (Government bid agents) (95–6 members).
Night watchers, stations (270 members).
Contractors of street crossing watchers (110 members).
Bakuro-cho, Kodenma-cho inns (109 members).
Eighty-two houses farmers' inns (82 members).
Thirty farmers' inns (30 members).
Hairdressers (770 members).
Contractors of debris of the moats (97–8 members).
Eight-article traders (100 members).

THE TOKUMI TONYAS OF THE BUNKA ERA, COMPOSED OF SIXTY-FIVE GUILDS AND KNOWN AS THE HISHIGAKI VESSEL SHIPPERS.

(The names include the members of the first Tokumi, those being included newly by the granting of kabus and those which in the Bunka era, although they possessed kabus heretofore, were annexed to the organization.)

Ichiban-gumi and Niban-gumi lacquered ware tonyas.
Ginned cotton tonyas.
Cotton goods tonyas.
Tatami cover tonyas.
Tori-machi guild, Uchimise guild, and fancy goods tonyas.
Floss silk tonyas.
Paper tonyas.
Imported candle tonyas.
Thirty-six houses, imported candle tonyas.
Nail, iron, and copper goods tonyas.
Drug tonyas.
Drug Tokumi tonyas of Odenmacho guild.
Liquid oil tonyas.
Imported saké tonyas.
Soy tonyas.
Doll and toy tonyas of Kaya-cho guild.
Sliding-door tonyas.
Bamboo sheath tonyas.
Leather-soled sandal tonyas.
Slipper tonyas.
Imported rice-bran tonyas.
Earthenware tonyas.
Koshu and Joshu tea tonyas.
Incense stick tonyas.
Maruai guild. Fancy goods tonyas.
Maruai guild. Tobacco pipe tonyas.
Straw rope tonyas.
Sedge hat tonyas.
Cutlery tonyas.
Tin and lead tonyas.
Cotton whipping outfit tonyas.
Marufuji tonyas.
Pots and pans tonyas.
Imported parasol tonyas.
Inland river shipping tonyas.
Fan tonyas.
Yarn tonyas.
Tea tonyas.
Pigments and dye herb tonyas.
Ship chandlery tonyas.
Maruai guild. Needle tonyas.
Maruai guild. India-ink brush and ink-slab tonyas (old guild).
Maruai guild. India-ink brush and ink-slab tonyas (new guild).
Maruai guild. Face powder and powdered rouge tonyas.

Second-hand article tonyas.
Coloured oil tonyas.
Shofu starch and hemp tonyas.
Tobacco tonyas.
Imported vermicelli tonyas.
Hemp (creeper) tonyas.
Smoking-pipe tonyas.
Official courier tonyas.
Hishigaki shipping tonyas.
Hishigaki vessel off-shore longshoremen joined the guild by being granted kabus.
Ginseng tablet dealers.
Empty barrel tonyas. (The number of members has been limited since the latter part of the Horeki era.)

The following nine lines of business had already the name of tonyas in the Kyoho and Kwansei eras and joined the guild at this time, although they were of another group in the first place :—

Dry-goods tonyas.
Liquid oil brokers.
Imported cured bonito, dried plum, and fish tonyas.
Indigo ball tonyas.
Dried sardines, fish oil cakes, and fish oil tonyas.
Imported salt tonyas.
Imported salt brokers.
Paraffin tonyas.
Osaka leather tabi tranders.

CLASSIFIED LIST OF TONYAS REVIVED IN THE 4TH YEAR OF KAYEI.

Dry-goods tonyas.
Cotton goods tonyas. (The guild differed from the Odemma-cho and Sirako guilds.)
Ginned cotton tonyas.
Floss silk tonyas.
Tori-mochi and Uchimise guild. Fancy goods tonyas.
Yarn tonyas.
Maruai guild. One of the fancy goods tonyas of Torimo-chi group.
Ichiban guild, Niban guild, Kayamachi guild, and others. Doll dealers.
Drug tonyas' guild.
Paper tonyas.
Paraffin tonyas.
Imported paraffin tonyas.
Earthenware tonyas.
Candle tonyas.
Lacquered ware tonyas.
Candle and wick tonyas.
Omotemise guild. Tatami cover and green matting tonyas.
Horidome guild. Tatami covers and coarse goods tonyas.
Sumiyoshi guild. Coarse goods tonyas.
Tea tonyas (No. 1 Ichiban and No. 2 Niban).

Lumber tonyas.
Indigo ball tonyas.
Carpenters' tools and cutlery tonyas
Toilet paper tonyas.
Dried sardine tonyas.
Stone tonyas.
Nail, iron, and copper goods tonyas.
Stone cutters possessing offices.
Imported salt tonyas of the Hishigaki vessels guild.
Imported salt brokers.
Local salt tonyas.
Water-fowl tonyas.
Land-fowl tonyas.
Rice-bran tonyas.
Imported leather-soled sandal tonyas.
Imported liquid oil tonyas.
Imported liquid oil tonyas and sole importers.
Local liquid oil tonyas.
Liquid oil brokers.
Fish oil tonyas.
Hair oil tonyas.
Imported gold dealers and old gold.
Seven guild. Fish tonyas.
Salted and dried fish tonyas of Yokkaichi and Kobune-cho guilds.
Imported cured bonito tonyas.
Dried articles tonyas.
Exchangers.
Contractors of moat cleaning.
House-boat owners.
Rush-reed tonyas.
Coopers.
Dyers.
Hairdressers.
Eight-article merchants.
Second-hand articles, pawnships, and second-hand clothing dealers.
Second-hand furniture and fancy goods.
Old iron buyers and dealers.
Calendar tonyas.
Book tonyas.
Painted paper tonyas.
Fan tonyas.
Match tonyas.
Saffron tonya and saffron dyes.
Lacquer tonyas.
Cinnabar tonyas.
Imported rice tonyas.
Kwanto rice three guild tonyas.
Local rice tonyas.
Wakimise eight localities tonyas.
Kashi eight-street tonyas.
Cereal eight-street tonyas,

Cereal eight street brokers.
Rice cleaners divided into eighteen guilds.
Fukagawa Kiba lumber tonyas.
Lumber (from Kumano) tonyas.
Lumber, charcoal, firewood. Kawabe (No. 1 Ichiban) guild tonyas.
Guild bamboo, charcoal, and firewood tonyas (No. 1 Ichiban).
No. 1 guild (charcoal and firewood tonyas).
Charcoal and firewood tonyas.
Kumano charcoal (large) tonyas.
Kumano charcoal (small) tonyas.
Miso tonyas.
Six-guild courier tonyas.
Paper tobacco pouch tonyas.
Imported saké tonyas.
Local saké tonyas.
Employment office of bean curd sellers.
Casters.
Cage-bird dealers.
Shipping tonyas.
Ichiban guild inns.
Contractors of street crossing watchers.
Osaka tabi tonyas.
Fudasashi brokers of Government granary.
Local soy tonyas.
Noodle tonyas.

CHAPTER LXIII

THE TRADE SYSTEM IN THE PORT OF NIIGATA

Sale of Paper and Lacquered Ware limited to Traders of Old Street.—The tonya, of which we have heard so much, were not restricted to Edo and Osaka alone, but were found in every part of the country. The system of special interests in the different territories was a remnant of the trade system of the Ashikaga period, and, when we take as an example the practice in the territory of Aizu in the 16th century, we see how firm a foundation the Ashikaga period laid in the provinces. I thought that further details might be obtained by studying the trade system in Niigata, an important port, and, unlike Edo and Osaka, not influenced by any new thoughts, its exclusive and monopolistic economic system being a natural product of the Ashikaga period. On account of Niigata being a comparatively safe seaport, it was an important business centre from the time of the Uyesugi family, but during the period in question, Shimomachi, where the traders were, was limited to the trade in paper and lacquered wares. In 1617, when Naoyori, lord of Tango, became suzerain, merchants flocked to Shinmachi from all parts and began to trade in paper and lacquer ware, finally affecting the prosperity of Shimomachi, whose traders protested. In 1625 the authorities proclaimed that from other production centres both Shimomachi and Shinmachi traders might engage in the sale of lacquered wooden saucers, lacquered wooden pots, rice containers, picnic-boxes, trays, and eight sun-cake trays; but the lacquered wares produced in Kiso, Aizu, and Yonezawa should be confined to the traders of Shimomachi, and forbidden to those of Shinmachi. In June 1638 the inhabitants of Shimomachi again tendered a petition to the Shogunate's deputy, requesting that the sale of paper and lacquered ware be limited to Shimomachi only, backing their appeal by historical facts. The authorities, who were slaves to precedents in guiding their administration, gave the Shimomachi traders the exclusive rights in the said lines.

Special Rights of Shimomachi.—Soon after the foregoing incident, certain Aizu traders had entered the locality to sell their lacquered wares, but met a rebuff through a suit brought by two Shimomachi tonyas, Zenji Doshin and Choji Kishi, on the ground that they were selling the same variety of goods under changed names in spite of the regulations restricting the handling of such goods. At this period, lacquer-ware producers in Niigata had reached quite a point of development, and it may have been acknowledged by the dealers that it did not pay to import such articles from other markets, but the two plaintiffs desired absolutely to restrict the imports of such articles as were sold on false pretences. It is believed that these two persons were not lacquer-ware dealers, but manufacturers. In 1650 the traders of Shinmachi and Ju[illegible]ichiken-machi lodged a protest against restricting the trade of paper and lacquered wares to Shimomachi only, but the authorities did not heed the petition. Thus, the special rights of the old Shimomachi was given further endorsement.

COMPROMISE BETWEEN SHINMACHI AND SHIMOMACHI.—In 1752, owing to the complications in the variety of goods sold by the Shimomachi and Shinmachi dealers, the city elders issued an order which definitely distinguished the kind of goods to be sold by the merchants of each of the streets.

> In accordance with custom, Shimomachi shall have the exclusive right to sell dyed articles and the articles given in the list, both localities being permitted to engage in the trade in lacquered wares and paper.

PRIVILEGES OF THE MAIN STREET OF SHIMOMACHI.—Not only were there distinctions in regard to the nature of goods sold between Shimomachi and Shinmachi, but within Shimomachi itself Minami-kajimachi and Kitakazama-koji were the main streets, and the shops on both sides known as main-street shops, which numbered about one hundred, from old precedents were able to deal in articles prohibited to others. These merchants were free from a tax known as Nakayaku, and in order to restrict others from engaging in the same trade, they appointed inspectors from amongst themselves, and policed the city. The city elders decided, with the consent of the commissioner, to limit wholesalers to thirty-four articles and retailers to forty-three articles, granting the Okawamai Street traders these rights to a certain extent, but with time the regulations of the different streets grew lax, and many merchants from other territories came in and opened business freely. In 1750, for instance, a certain Gomzayemon Kinuya came from Etchu, and engaged in a business confined to traders of the main street. Although the city elders suspended the trade of such violators, yet in order to safeguard the future they believed it necessary to make plain the prevailing commercial usage, so that in 1762 they tendered a petition to the commissioner, and issued an order granting the main-street traders the exclusive rights of selling fifty-eight articles.

ARTICLES SOLD ONLY IN THE MAIN-STREET SHOPS.

Silk goods, striped cotton goods, and second-hand clothes.

Cotton (whipped cotton was free).

Fancy goods (the metallic parts produced within the city were exempt from the regulation).

Tea (local-grown tea was free).

Various cloths, white ramie, strong ramie, sedge hats, umbrellas, Tatami covers and mattresses, Chinese paper cloth, vase paper, mounting paper, silver paper, Tosa paper, screen and wallpaper, tea paper, cotton paper, dyed paper, Maniawase paper, Torinoko paper, Nishi paper, note-paper (sold per 100 sheets), Wakasa paper (sold per bundle), Inkin paper, skewers, sakunago paper (a book of 50 sheets or more was free), cuttle-fish, cured bonito, mushrooms, bag paste, black paste, dried hydrome revieri, sugar, ginger, kayanuts, dried chestnuts, dried radishes, powdered incense, white chop-sticks, bird lime, unglazed earthenware, matches, lacquered dippers, wooden dippers, shell dippers, crates, straw rain-coats, handbags, slippers, and straw sandals. Total, 58 articles. Edo and Tomizawa silk goods and fancy goods merchants shall rent shops on main street and be restricted from engaging in the trade in other streets, although they may trade with others on a wholesale basis. Tonyas from Kamigata Joshu, or other district, who bring silk goods by land or water, may sell their goods, retail or wholesale, by renting shops in main street, but are restricted from peddling around the city.

Fancy goods pedlars from Etchu and other territories may follow their trade as hitherto, but shall not remain more than seven days.

Pedlars from the suburbs entering the city to sell cotton goods, second-hand clothes, dyed goods, white ramie, and other goods handled by the main-street traders have in recent years become exceedingly numerous, causing much inconvenience to the main-street dealers, and hereafter shall be restricted, although those engaging in wholesale transactions may carry on if they maintain a stationery office.

Home-spun cloth peddled in the city by the roll shall remain free, as in the past. Goods imported from Murakami, Kamo-sanjo, and elsewhere by the ship-owners, and sold within the city through pedlars, shall hereafter be prohibited, as much inconvenience is caused to the merchants. If an office be maintained, wholesale transactions are open to all.

Nail merchants from Murakami county and elsewhere shall also be restricted from peddling, although it is permissible to engage in wholesale transactions, provided an office be maintained.

In the case of such articles as cotton and fancy goods coming by ship from different parts of the country, the travelling salesmen shall be inspected and detained at the city elders' office, and notice shall be given to the main street annual officer, after which payment shall be made. If the said goods are to be transported to other localities, the same notice shall also be conveyed to the officer of the year. The articles dealt in by the traders of the main street were as regulated in the Genroku era, but with time other streets took up the same business, causing much hardship to the main-street traders, which accounts for our petition. It would be appreciated if the old regulations were adopted. Significantly in recent years have the traders in other streets begun to engage in the business or engaged in peddling through the city, affecting the original merchants, and we hereby beg that things be reformed according to the clauses set forth, and that it be notified that no violations shall hereafter be permitted.

Furthermore, profiteering and cornering shall be strictly prohibited.

CITY ELDERS.

January, 12th year of Horeki.

The exclusive rights of the main-street dealers covered fifty-eight articles, and it was proposed to restrict others from engaging in their sale. For instance, when silk goods and fancy goods were imported from Tomizawa-cho of Edo, the Edo merchants were permitted to sell, providing they did business in some main-street shop. Merchants entering the city from Etchu and elsewhere, although permitted to do business by peddling, could stay only seven days, which practically restricted the peddling of goods coming from different parts, allowing only wholesale transactions. These measures were seemingly so arranged as to make all goods entering Niigata unmarketable unless they passed through the hands of the Niigata merchants.

THE RIGHTS OF THE MAIN-STREET SHOPS LIMITED.—In 1769 the annual executive officer's residence was burnt, and the documents covering the main-street shops' rights reduced to ashes, of which the outside traders took advantage and violated the restrictions by engaging in the sale of all articles. The main-street merchants petitioned the commissioner to regrant the licence in order to check the inroads of the outside merchants, but these gentry stoutly refused to give in. The dispute lasted for some time, but the commissioner, realizing the strength of public opinion, was obliged to rearrange matters in 1772, throwing open fifty of the fifty-eight articles to any merchants of Niigata, only reserving the following eight articles exclusively for the main-street shopkeepers :—

Striped cotton goods and second-hand goods (home-spuns may be sold by the roll, as hitherto, without reserve).

Silk goods.

Mattresses (hichito mattresses may be sold by the bundle).

Hairdressing articles (all other wholesale deals shall be restricted).

Cotton (whipped cotton may be sold by others without restriction, except retailing).

Ramie goods.

Large awnings.

In the case of Niigata, we may note that its trade system conserved the commercial customs of the Ashikaga period up to nearly the close of the Tokugawa era, and that although the territory belonged to a feudal lord, in fact, it maintained a self-governing system centralized in the city elders who chiefly handled the reins of the Government. Another fact is that the city elders also ran mutual corporations.

This is striking, as it resembles to a great extent the guild system of Europe, whose form was one of self-government. The commercial policy of this self-governing commercial port was its recognition of the traders' interests, based on customs, and an attempt to grant these traders special interests, and make them the most prominent figures within the territories of the Echigo province. Such a policy must be said to be the most rightly interpreted and representative one with respect to ideas and sentiments regarding trade during the period.

COMMERCIAL EXCLUSIVENESS IN NIIGATA'S COMMERCIAL POLICY.—Such a trade policy as that of Niigata, upheld by monopoly and protection, cannot be practised without some obstructions. About 1700, traders from Wajima, Noto, imported lacquered wares and ousted the Niigata products by their cheapness and superior quality, and the dealers of Shimomachi immediately influenced the authorities to issue an order to the following effect :—

> Hereafter, salesmen who bring Wajima or any other lacquer to the city shall be allowed a space of thirty days, after which the sale must cease. If prolongation is desired the sales shall be made in Shimomachi.

Again, about 1780, when the paper merchants of Shimomachi displayed for sale gold- and silver-coloured hair-cord, an inspector of the Honcho main-street dealers protested on the ground that this was a toilet article and belonged to their line of trade. The dispute lasted for a very long while, but was finally settled by the paper merchants apologizing to the main-street dealers.

THE WARRING INTERESTS OF FURUMACHI AND HONCHO.—In 1780 the Furumachi merchants imported lacquer-coated articles from Noto and other localities, marketing the goods as lacquered wares which the Honcho dealers again protested against, claiming that they were toilet articles which the Furumachi dealers had no right to trade in. At the same time, they lodged a protest with the commissioner's office.

> With meekness we hereby tender our petition according to statement, as follows :—
>
> From long past the main-street dealers have been handling lacquered and painted toilet articles, but since the past year (8th year of Tenmei) we find the lacquered wooden-ware dealers have been selling such wares, and although on different occasions executive officers of the main-street dealers have asked for suspension of sales, nothing was done. Again, in spring last (1st year of Kwansei), a large order for Buddhist ritual paraphernalia was sent from Etchu and the stuff placed on the market, in addition to which they bought up all the domestic-made Buddhist ritual articles which were of good workmanship. The widespread sales hamped the main-street shops, who also had in stock lacquered and painted toilet articles, so that the presiding officer of the year called on the Furumachi presiding officer and requested that

matters be put right. The reply was that due steps would be taken after conferring with the dealers, but up to date nothing has yet been done, which is causing much annoyance. If such doings be permitted, in time we fear that the Furumachi dealers will begin selling combs, hair-bars, knitting-needles, and perfume containers under the pretext that they are lacquered articles. We therefore ask the authorities to apply proper regulations and prohibit violations, and if our petition be heeded, and such commands issued, we shall humbly and joyously extend our deep appreciation.

JINROKU SAKAUCHI } Presiding Officers of
TAHEIJI YAMAGUCHIYA } the Year.

November 16th, 1st year of Kwansei.

TO THE HONOURABLE OFFICER ON DUTY FOR THE MONTH.

To the above, the merchants of Furumachi retorted as follows :—

With respect to the query made relative to the petition tendered by the main-street dealers' presiding officers regarding our selling lacquer-painted toilet goods, we hereby crave your indulgence of the explanations given hereunder :—

It has been protested that we have been selling toilet articles since last year (8th year of Tenmei), and in spite of the presiding officers of Omote-machi (main-street dealers) having frequently approached us to put a stop to it, they maintain that we refused to do anything. We beg to say we, the dealers of Furumachi, do not in any way deal in toilet articles. Moreover, since we have not in any way been approached by the said presiding officers, we do not see under what pretence they could have, without fear, presented the case to your Honour. True, such sandal-wood lacquer-wares imported from Etchu and elsewhere as cake-trays, wooden candlesticks, and writing-tables have been listed as articles within the interests of Omote-machi, but as we have previously notified your Honour, these articles were being handled in our territory long before the regulations were framed, and we do not see any ground for protest upon this point. We have explained the matter to the inspector. On the other hand, some of the Omote-machi dealers are selling trays, stands, and ink-slab covers without permission, which are articles of importance to our traders, and causes much annoyance. Although we had a mind to bring a suit to stop such violations, yet we felt it would be troubling you, and hesitated. Not only have the Omote-machi dealers been selling goods belonging to our interests, but we have not been selling any maitsuin (Rokko) of late, so when it is brought up against us that we are selling toilet articles, we cannot help being surprised. Such being the case, it would be extremely appreciated if, through your Honour's sympathy, a strict investigation should be made and settlement brought about.

OLD SHIMOMACHI { Lacquered Ware and Paper Presiding Officer.
SHIGEYEMON IZUMIYA.

December 6th, 1st year of Kwansei.

TO THE HONOURABLE CITY ELDER ON DUTY FOR THE MONTH.

It is fully evident that Furumachi was beating about the bush, so that the authorities ordered them to stop selling the goods in question.

Dispute between Wholesalers and Retailers.—Such disputes between Furumachi and Honcho were frequent, and in 1821 a dispute again arose with respect to the wholesale and retail rights. The retailing of paper had been confined to the paper merchants of Furumachi, while the Honcho paper traders were engaged in only wholesale business; but somehow the Omote-machi dealers began selling paper by retail, and when, in 1821, the paper traders brought a suit against Omote-machi, the latter claimed that they had begun to engage in the retail selling of paper as a result of a compromise arrived at in the previous year, which Honcho denied. However, as neither party had any evidence to uphold its claims, the city elders settled the case by issuing the following regulations :—

MEMORANDA.

It was decided by the presiding officer of the paper merchants that they were to have exclusive rights of selling paper retail and by the bundle, whereas other streets could deal only by the bale, but recently disorder has crept in and the other streets have begun to deal both retail and wholesale, causing great annoyance and depriving many of their customers. Upon investigation of the case it was found that other streets could not deal in the article except wholesale. The Omote-machi maintain that, after conference, the stocks owned by Furumachi were taken over by the Omote-machi, with the understanding that sale by the bundle would be permitted; but although it was so asserted, and such sales are already taking place, there is no written evidence to uphold any claim. It was decided, therefore, that the following regulations shall be enforced until some better understanding can be made :—

Nishi paper, one roll.
Note-paper, 100 sheets.
Small hanshi, one roll.
Iwami waste paper, one roll.
Ogumi paper, one roll.
Tochi's paper, one roll.
Izawa, one bundle.
Oyachi, one bundle.
Saihichi, one bundle.
Ita futaye, one bundle.

No dealer, except the Furumachi dealers, shall be permitted to deal retail in paper. Omote-machi dealers may transact paper according to the unit as specified above, while other streets shall confine their trade to the bale only.

Shimano super fine.
Sugihara.
Fubata.
Ryoguchi.
Uchiyama.
Shimazu.
Kamo paper.
Kosugi.
Local waste paper.

The above papers may be handled by Omote-machi or by any other street if sold by the bale, but the Furumachi dealers may make transactions at liberty. However, paper of the mochi class may be dealt in by the Furumachi dealers.

These instructions are issued after due deliberations, and should be strictly observed. If any delinquency be found, such party shall be treated accordingly, to which due consideration should be paid.

November, 4th year of Bunsei.

THE ORGANIZATION OF GUILDS.—As described in the foregoing pages, the commercial organization of the mediaeval period in Niigata was preserved to the close of the Tokugawa period and traders drew sharp distinctions between wholesale and retail and imported and domestic goods, and within the city the retailer and the wholesaler of the self-same article and its class were restricted to their respective streets. Further, the merchants within each commercial unit organized a meeting-place run by the monthly and yearly officers and the presiding officer. The existence of the Chukaisho (meeting-place) may be traced back to the 3rd year of Genroku. The term Onaka was derived from the word "nakama" (fellow-members), and had a point of resemblance to that of Aizu and the Oshu districts. Further, to supply these Niigata merchants with products of other territories there were middlemen (tonyas).

SIMILARITIES BETWEEN THE COMMERCIAL SYSTEMS OF NIIGATA AND ENGLAND.—As a rule, there are three distinct stages in a nation's commercial development, fitting the life of the period. In the first stage transactions were confined to those of one locality with another, and this may be called local economic age. With progress, commodities begin to circulate over the country, bursting through local barriers on both sides from other provinces. This stage may be called the period of national economic unity. Finally comes the stage of world economy, when the products of the world reach all corners of the globe. Notwithstanding that in the middle of the Tokugawa period economy had reached the national economic stage, yet, owing to the different localities and clans having a commercial system and policy of their own, it is astounding to find the merchants coming from different towns and countries restricted in their freedom of trade. True, such a system and policy existed in England and other foreign countries from the close of the 12th century to the end of the 13th century, but in the 14th century, with the development of foreign trade, it was swept away by the resistless current of economic force. For example, at the time of the granting of Magna Charta in England in the 13th century, the merchants of Gascony on the opposite side of the channel brought over wines, while the merchants from Flanders brought over beautiful fabrics, and were obliged to trade only with the members of the English guilds. Even when attempting to buy for export, foreigners were obliged to purchase through the members of the English guilds. Such transactions had to be made on market-day, all deals being made in broad daylight. Foreigners were prohibited from engaging in retail trade. They were prohibited from entering inland cities, and confined only to the open ports. Their stay was limited to forty days. Moreover, this policy of exclusivism was not applied to foreign merchants only, but also to any English merchants from another locality. Thus in Southampton there are many instances where merchants from Worcester and Salisbury were treated like foreigners. In other words, it was a period when the village and town attempted to keep themselves self-sufficient and free from outside influences, looking askance on outside traders as foreigners, whether they were English or French. Comparing the policy towards foreign traders in Nagasaki and that adopted in Niigata and elsewhere against domestic traders during the Tokugawa period, we find just the same phenomenon. However, such an intensely local system, while passing away in England in the 14th century, held sway in Japan up through the middle and quite near to the close of the Tokugawa Shogunate, a further proof that the economic development of Japan is behind that of England by over 300 years.

CHAPTER LXIV

FROM THE EXCHANGE-HOUSE TO THE BANK

Dealing in Copper Coins and Gold Coins.—Among the systems that, as monetary organs, performed effective functions during the Tokugawa period we can count several. They are the exchange-house, the Meimoku money-lending house, the Tanomoshi-ko (Lottery Association), the pawnbroker, etc. Of these systems the exchange-house is the oldest. In the 11th century, when Minamoto-no-Yoshiye returned in triumph to the city of Kyoto, the capital of the Empire, after his victory in the north-eastern parts of the country, the exchange-house system already existed in Japan. People were beginning to use silver and gold coins, but the country was not yet under one central government, and consequently there were different kinds of coins in circulation. Among the gold coins were the Juyei-han, the Yeiji-han, the Joji-han, the Choji-kin, the Koshu-kin, the Kashu-kin, the Takenagashi-kin, etc.; and in some districts gold-dust in bags was still used as money. There was not yet any silver coins of such shapes as in the later years, and the people used flat silver plates, from which they cut off as much as was required from time to time. There were also in circulation different copper coins, such as the Yeirakusen and the Bita-sen. Exchange grew naturally out of such a variety of money. In the latter part of the Kamakura period, we find the word "exchange charge," proving that in those days exchange business was in practice, and the merchants engaged in this line of business charged a certain rate for exchanging one kind of money into another. In the Muromachi or Ashikaga period the word "wari," or discount, was used, that is, a certain rate of discount was deducted for exchanging one kind of money into another in those days. It was in the latter part of the Ashikaga period (1392–1490) that for the first time the word "wari" was applied to one-tenth rate, and was used in the calculation of exchange charge; and in later years the exchange charge itself was called wari.

Exchange Street.—In the latter part of the Ashikaga period anyone desirous of changing the new copper coin of a worse quality against the old coin of a better quality had to pay, it is said, from $2\frac{2}{10}$ to $2\frac{1}{2}$ as exchange charge. It is also said that there was an Exchange Street in the city of Kyoto dating back to the era of Yeiroku. Now, as the 1st year of Yeiroku is 1558, we see that exchange business was in practice so extensively in the latter part of the Ashikaga period that there was a street called Exchange Street in the city of Kyoto, the then capital of the Empire.

Until the time of Hideyoshi, the people brought to Kyoto such kinds of gold as gold-dust and goishi-kin (gold checkers) from the different parts of the country and exchanged them for silver money. The exchange merchants tested the gold with a touchstone before they accepted it for exchange against silver, and their exchange rates and prices differed according to the colour of the gold, because of which exchange took a considerable length of time and the people were very much inconvenienced thereby. In those days, then, exchange was already a lucrative line of business and was widely practised. Soon afterwards the fee for exchange got the name of kiri-chin, or charge for cutting. Kiri-chin means cutable money. The fact is that in the old days coins were not of a uniform weight as at present, and the people used gold or silver metal plates for money; and when they made payment they cut a piece off a gold or silver plate with a chisel or shears, and paid by weight. It is said that the people generally used to cut their gold plates with shears, while in some provinces they used a hatchet.

From the foregoing statement it appears that, at first, exchange business was done by the metal-caster. In those days the making of coins was not a Government business, but private, just as the making of combs, hair-bars, and such articles. Had the Government minted them, the coins thus made would have circulated on account of the power and credit of the state; but as they were made by different individuals, the credit of the maker was all-important. Therefore, each coin-maker clearly mentioned on each of the coins which he made the quality and weight of the metal, as well as his own name, thus guaranteeing every coin. This was called Goku-in, or guarantee 極印 seal. Among the metal-casters who made coins in those old days, Goto was the richest, and enjoyed the most credit among the people. He did the greatest portion of the coinage business during the times of Nobunaga and Hideyoshi, and in Tokugawa days, when the Government established the Kin-za, or Gold Mint, Goto was put in sole charge. The legal tender coins thus made at the Kin-za were [illegible] well received in all parts of the Empire on account of Goto's credit as a coin-maker, backed by the Shogunate power. All the gold coins bore Goto's name on them, and were called Han-kin, or sealed gold.

EXCHANGE STREETS IN EDO IN THE EARLY DAYS.—The history of currency-making in Japan began with the exchange merchants, but the business was concentrated in later years under the sole control of the Kin-za, which was semi-official. After its establishment, the exchange merchants gathered in the neighbourhood of Hon-Ryogae-cho and Shin-Ryogae-cho, the latter being the present Gin-za, the shopping centre of Tokyo.

> There was not even a single merchant engaged in exchange outside these two streets. Anyone wanting to exchange his gold or silver money into copper money had to go to the north and south streets in Nihonbashi, however far away he lived, for standing in those streets were hundreds of merchants, with a few kwamme of copper coins in a bag on the shoulder, ready to give copper for gold or silver. They have been engaged in this line of business for many years; but as some of these exchange merchants mixed up base copper coins, whose use had been prohibited, with the good ones, the people suffered a great deal of loss and inconvenience. Just at that time an exchange merchant opened an office in Ryogae-cho. He did not mix up the base copper coins, but always gave copper coins of a good quality. The people were pleased with the business policy of the merchant, and came to him for the exchange of gold or silver coins with copper. Afterwards many exchange-houses were opened and conducted their business on the same lines.

In the days gone by a market for the sale of copper money was held on Zenigame-bashi every day, and dealers gathered there, at first to the number of fourteen or fifteen, which increased to seventy, and seemed likely not to stop there. The dealers became afraid that if their number increased without limit, their mutual interests would be affected, and agreed to meet in conference and discuss the formation of a trade association among themselves to limit the members of the association, and also to make sure that the members of the association alone should be permitted to engage in the coin sales business at that place. On the 19th of March, 1679, they met at a restaurant called Fujiya in Asakusa, when they decided upon the members of the association and the rules.

These copper-coin sellers called themselves the money-house merchants at first, but afterwards exchange-house merchants.

The Origin of the Word "Bank."—Such was the status of the exchange business in the early part of the Tokugawa period, and its system and volume constantly developed until the end of that period. Not only the sales, purchases, and exchange of gold, silver, and copper coins, but money-orders, deposit, loans, and such lines of business were all handled by the exchange merchants. In a word, the exchange-house was one of the most important economic factors in the Tokugawa period. In it we find the origin of the banking system in Japan. Our present banking system, adopted in the early part of the Meiji era, was framed at first after the American banking system, and later modified according to the different systems prevailing in other foreign countries. But we had our own system of banking as early as in the Tokugawa period, though it differed from those operated in Europe and America, owing to the difference between the Japanese and the Western peoples in their mode of living and social and political systems. A fact in this connection which appeals to the interest of a student of economic histories is a coincidence that exists between the origin of our exchange system and that of the banking system in the West. The English word "bank" means, of course, a "bench." Banking business of Europe originated in exchange business that the merchants did in the streets of Florence, in the same way as the exchange merchants carried on their business in Edo in the early part of the Tokugawa period. These Florentine exchange merchants attended to their business on the benches they set up in the street, and when they failed they broke the benches and went away. For this reason business failure is called bankruptcy, or "broken bench." The development of banking here and in the West, so similar to each other, shows that the people's mode of living in the East advanced, and is advancing, along the same line as in the West.

The History of Exchange Business in Osaka.—The foregoing is the record of the early stages of exchange business in Edo; but it is hardly necessary to say that such an economic system was not an invention of the people of Edo, who attached more importance to the art of fighting than to commercial practices, but that it was first invented by the people of Osaka and other western districts who were credited with business genius. The system had been in practice in Kyoto, Osaka, Otsu, Sakamoto, Sakai, and other western cities before it was introduced into Edo. It is generally believed that Tennoji-ya Gohei is the founder of the exchange system in Osaka. Gohei was living in 1660.

The Ten Money Exchange Merchants in Osaka.—In 1661, or thereabouts, Ishimaru Sadatsugu, the then Osaka Governor, made strenuous efforts for reforms in the administration of his city. Among other reforms, he established the regulations for different lines of trade, whereby he extended the credit of the members of different trade associations. He selected ten men from the money-exchange merchants in Osaka, and authorized them to control the other money-exchange merchants in his city, with the view of improving the condition of the money market. It may be that the gold-exchange business was started then for the first time in Osaka. The names of the selected ten were:—

Tennoji-ya Gohei.
Kome-ya Chobei.
Konoike-ya Zenyemon.
Konoike-ya Yasubei.
Omi-ya Yunosuke.
Hirano-ya Gohei.
Sumi-ya Yasubei.
Kome-ya Heiyemon.
Kashima-ya Sakugoro.
Sumi-ya Hikogoro.

The above ten were all well known in commercial circles in Osaka, and they acted as accountants for the Shogunate, while at the same time they were engaged in general loaning business. In recognition of their services, the Shogunate permitted them to wear two swords, like the samurai, exempted them from doing public services to their city, and authorized them to control, as the executives of the Exchange Merchants' Association, any other merchants engaged in money-exchange business. They were called Junin Ryogae, or Ten Exchange Merchants, and formed an association themselves. These ten merchants, headed by Tennoji-ya and Hirano-ya, not only controlled the other exchange merchants, but were also given power, it is said, to permit or prohibit the establishment of new exchange-houses in their city. Tennoji-ya Gohei was best acquainted with economics, and it is generally believed that it was this man who invented the system of commercial bills in Japan, but we have no positive proof. In 1617 Kikyo-ya Goroyemon and Kinokuni-ya Tozayemon, of Osaka, issued silver notes in connection with the construction of the Edobori ditch.

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THE HON-RYOGAE.—In addition to these ten big exchange merchants, there were many other merchants engaged in money-exchange business in the early part of the Tokugawa period, more than two hundred in number. They were called the Hon-Ryogae, or exchange merchants, and did business under the control of the Big Ten. There was no limit to the number of the exchange merchants then, and if a man served in an exchange-house for many years until he was thirty, he was permitted to open a new house in the line. In case any other merchant wanted to open a new exchange-house, he had to get a permit from the Exchange Merchants' Association of Ten, and pay a certain entrance fee to the association, which was held by Tennoji and Hirano on its behalf. In early Tokugawa days this fee was 600 kwamme of silver, which, however, was reduced to 200 or 300 kwamme towards the middle of the same period. But whether such an application was accepted or rejected was decided on much more by the sentiment of the ten big merchants towards the applicant than by the amount of the admission fee he would pay. When a man wanted to start exchange business he had to apply to the officers of the association, who, with their recommendation, would forward his application to the executive officers for the Hon-Ryogae merchants, and, with the latter's permission, the applicant was allowed to become a Hon-Ryogae.

These Hon-Ryogae merchants formed twenty-two different groups, such as the Kitahama-gumi, the Kajihicho-gumi, Koraibashi-gumi, Kyutaro-gumi, etc., and had their offices mostly in Imabashi-suji, Koraibashi-suji, and Hiranocho-suji, etc. They were divided into three classes, according to the amount of business they did. Of the three the biggest, together with the ten leading merchants, were mostly engaged in lending money to the different feudal lords, while the other smaller merchants lent it to traders. The scope of these exchange-merchants' business, like that of a commercial bank in our time, was to deal in gold and silver money, get deposits from others, negotiate commercial bills, send or receive money-orders, fix prices of gold and silver, etc.—in fact, they controlled the money market in Osaka and district. What capital each of these exchange merchants had invested in his business cannot be ascertained at all, because every one kept it a secret, even from his own family. At the beginning of the 18th century there were over 340 exchange merchants in Osaka.

THE COPPER-COIN EXCHANGE MERCHANTS.—The Hon-Ryogae dealt in gold and silver money, but there were also merchants engaged in exchange business of Zeni, or copper coins ; and these men were outside the control of the Big Ten. They were very numerous, and the sign of each hung up before the house was in a shape of a coin. They did purely exchange business, as the exchange merchants in our own time do, and at the same time they dealt in rice or other merchandise, and the copper coins they got through their retail business they exchanged at a profit for gold and silver. At first the exchange of copper coins was also done by the Hon-Ryogae merchants, in addition to their principal business, but later a money exchanger called Kihei, with a permit from the Government, started retail sales in copper coins, independent of gold and silver exchange business. After that a man who wanted to start copper-coin exchange business had to pay Kihei 43 momme of silver for admission, and each day a sort of business-tax, which came to about 100 mon of copper coin a month.

SOUTHERN GROUP OF EXCHANGE MERCHANTS.—In addition to the two kinds of exchange merchants already dealt with, there was a group of other exchange merchants who belonged to neither of the two categories. They were called the Southern Group of Money Houses, and in 1732 they formed among themselves a sort of exchange-house called Koban Soba Kikiawase Dokoro, or Mutual Information Place on the Prices of Koban Coins, for the purpose of doing exchange business in gold, silver, and other coins. The Hon-Ryogae exchange men drew a distinct line between themselves and these people, and did not like to do business with them ; indeed, if any of them did business with any of the said group, he would be excluded from the association, losing all privileges he enjoyed in his trade as a member.

THE KOMEGATA RYOGAE.—There were Komegata Ryogae, or exchange merchants, for the rice market in Osaka, who did not engage in general business as the ordinary exchange merchants did, but were entirely the monetary organs of the rice market in Dojima, Osaka, and existed, as it were, for the convenience of the rice merchants there. These money-houses were mostly run by the rich merchants in Dojima, who did banking business by permission of the Shogunate. They supplied guarantee money to rice-merchants or brokers for their business transactions, received deposits from these merchants, made loans for the monthly settlement, etc. They were nicknamed " a manipulating exchange," because they used at times to rig the market. When there was no contest between buyers and sellers there was no other way to restore activity, make prices go up and down, than to meddle with the rate of exchange. In order to cause a rise in the quotations on the rice exchange, for instance, the exchange rate of silver was lowered from 65 momme to 67 momme per ryo of gold, and the market price of rice was raised from 45 momme to 46 momme of silver per koku. In the contrary case the exchange rate of silver was raised, say from 65 momme to 63 momme, and the market price of rice was lowered from 45 momme to 44 momme per koku. In other words, the price of silver was often rigged to affect quotations in the rice exchange.

Connections among the Exchange Merchants.—Of the four kinds of exchange merchants, as described above, the ten leading men and the Hon-Ryogae houses, both engaged in general banking business, were monetary organs for the commercial circles in general. Among the Hon-Ryogae there were three divisions according to size—the big houses, the middle-sized, and the smallest sized ; a big house being, as it were, the trunk to which were attached several middle-sized and small exchange-houses, like branches, just as one big bank to-day has several smaller banks which look to it for support. Each big Hon-Ryogae-ya had then several smaller ones connected and doing business with it, as well as among themselves. For instance, a small exchange-house (A) was connected with or depended on another house (B), which was a little bigger, and the latter (B) depended on still another (C), which was a little bigger than (B). These exchange-houses, linked with each other, had agreements among themselves by which they were bound in their business transactions, and issued commercial bills against each other up to limits agreed upon among themselves, and all tried to see that these commercial bills circulated well. And finally, each of the groups of the Hon-Ryogae houses was connected in some way or other of the ten leading exchange-houses. When anyone wanted to open a new exchange-house, the first thing that he had to do was to get some big exchange-house to extend its support to him as his mother-house. Thus connected with his mother-house, he had to transfer to it all the deposits coming to his house, in return for which he could always reckon on support from his mother-house; and when his house met a run he could issue drafts or bills against his mother-house, who would accept the same and save him from insolvency or bankruptcy. On such commercial bills the mother-house would not charge any interest nor demand any mortgage, dealing with them entirely on a credit basis. On the part of the smaller houses they were always careful not to betray the confidence of their mother-house in them, and not to do anything that might hurt their credit with it or affect its name. The mother-house, too, was always ready to support the smaller house connected with it; and even when any of these smaller houses drew too large a bill on its mother-house, the latter would call attention to it, but would not take any harsh or severe step, except in rare cases. A mother-house never issued any bill against any of the smaller houses connected with it, but a big exchange-house issued bills against another house of an equal standing, and vice versa, and these bills were settled usually in half a month or a month, the balance being paid or received as in a clearing-house. When a bill was brought from one house to another it was just received, and no formal receipt was issued for it. Such credit was the basis of deals among the exchange-houses.

The Gold and Silver Exchange.—Exchange was in accordance with quotations of gold, silver, and Zeni coins, and such quotations were fixed and announced at the Gold and Silver Exchange House. The Kin-gin Baibai Tachiai-sho, or Meeting-place for Sale and Purchase of Gold and Silver, as this exchange was called, was established first by the exchange merchants at Koraibashi-suji, Osaka, in 1662, but after 1743 quotations on gold and silver were fixed and announced at the meeting-place of the exchange merchants at Kitahama, Osaka. Quotations of and methods of transactions, etc., in gold and silver were under the control of the ten leading exchange merchants, who chose from among themselves the executive officers to manage the affairs of their exchange for one month each. Besides, there was a manager, who was in charge of the office and the business of the exchange. Transactions at the exchange began at ten o'clock in the morning, and closed at noon each day. In the early days, as at the rice exchange, transactions used to be settled by the time a slow-match burnt out each day, and in later years, though they gave up the practice, they called the closing hour at the exchange hinawa, or slow-match. In the early days of the Royal Exchange in London, in the 17th century, they lighted a candle and completed their transactions before the candle was burnt out each day. It is surely an interesting coincidence that similar practices were adopted on the exchanges in Japan and England in their early days. On the Osaka Exchange transactions were in gold and silver money or currency, but not in metals. The standard of transactions was the Koban coins, but the qunatity of the Koban gold being limited, transactions were mostly in the smaller gold money, such as the 2 bu gold, 3 bu gold, etc. Transactions in gold and silver were all in actual cash, and so there were no frequent or big fluctuations. But quotations on the Koban usually jumped up in June and December each year, especially were the gold quotations high in June, when the annual festival of the Tenjin Shrine at Tenma was held and money was in great demand. It was not long, however, before time bargains in gold and silver were started at the exchange. This was because the prices of gold and silver were affected not only by the changing circumstances in the home market alone, but also by changes in the conditions in China, Holland, and other foreign countries with which Japan was trading in those days. Even without interference prices of gold and silver were bound to fluctuate, and in 1695 the Tokugawa Shogunate made gold and silver coins of an inferior quality out of the former coins of a better quality, to the great profit of the Treasury, and there came sudden changes in the comparative values of gold and silver coins over and above the comparative value of gold and silver metals. But there was still another reason for the time transactions in gold and silver at the Osaka Exchange. With increases in transactions at the Rice Exchange, the rice merchants established their own bank organs; and, as already stated, when things were dull on the rice exchange, the rice merchants through their banking organs manipulated the prices of gold and silver, to create fluctuations in the price of rice. As a result, gold and silver money was made the object of speculation, and ambitious and speculative merchants turned their attention to the Exchange to try their fortune there. Their practice was as follows: At a certain house, agreed upon between buyer and seller, both parties deposited a certain sum of guaranty money. When the day of settlement came, they compared the price they had gambled on with the prevailing price, and the difference was paid out of the deposit, the house receiving a certain commission from both buyer and seller. Speculation was not permitted by the Shogunate, and when they heard of what was going on, the Government officials wanted to stop it. One day they called to their office some representative exchange-merchants, and made inquiries about the practice. The merchants flatly denied it, and said that the object of men from the exchange-houses gathering at the exchange every morning was to get the day's quotations on the Koban gold, but nothing else. They even declared that if thereafter any men from the exchange-house met at a certain house and did exchange practice on the Koban gold, as in transactions on commercial bills, by depositing guaranty money and paying a commission to the house, not only the proprietor of the house, but the men involved should all be subject to an equal form of punishment. Of course, the declaration was only a blind, and the practices were continued, for in August 1695 the Shogunate issued an order that all transactions on the Koban gold should be done in cash only. And again, in August 1696, another order was issued prohibiting any speculative transactions at the exchange. The prices of gold and silver money in which transactions were actually done in Osska in those days were :—

Year.	
1690 ..	.. 66 momme of silver per 1 ryo of gold.
1733 ..	.. 61 momme of silver per 1 ryo of gold.
1789 ..	.. 55 momme of silver per 1 ryo of gold.
1825 ..	.. 64 momme of silver per 1 ryo of gold.
1864 ..	.. 81 momme of silver per 1 ryo of gold.

As already stated, the gold and silver exchange existed in reality in Osaka, and speculative transactions were in practice among the Osaka exchange merchants even in the early part of the Tokugawa period, but it was in September 1725 that the Exchange was officially recognized by the Shogunate, as notified by the ten leading exchange merchants to the twenty-two groups or associations of the Hon-Ryogae Exchange. After that time there were transactions in gold and silver with ever-increasing volume at the Osaka Exchange. Encouraged by this, two merchants in Edo, Harimaya Dembei and Osaka-ya Goroji planned to establish a similar institution and applied to the Mayor of Edo for approval in 1728. According to their plan, at each institution in Kyoto and Osaka time and spot transactions were to be permitted in gold and silver and Zeni coins, as at the Osaka Exchange already in existence, and they would collect from each of the exchange merchants participating a commission of 1 rin 2 mo 5 shi of silver per 1 ryo of the Koban gold, and 5 mo of silver per 1 kwamme of copper money. They further undertook that, if the Shogunate granted their application, these two institutes would either contribute to the Shogunate 2,000 ryo every year in cash or take responsibility for the repair of the two big bridges in Edo, the Ryogoku and the Eitai ; and if any amount were left in the latter case they would distribute it among the exchange merchants in Kyoto and Osaka : but the Shogunate refused their application.

THE STATUS OF THE GOLD AND SILVER EXCHANGE.—The Gold and Silver Exchange in Osaka was thus recognized by the Shogunate and its position was made safe. The methods of transactions were almost the same as on the Stock Exchange of our own time. At the entrance of the exchange-place was the wicket, where there was a notice to the effect that exchange merchants under the control of the ten leading exchange men alone would be permitted to enter. Transactions were made under the supervision of the two men representing the ten leading exchange merchants. Those who could participate in transactions were men representing the Hon-Ryogae merchants and the Minami-gumi money merchants, and the copper merchants were permitted to come in to see business going on in the hall, but not to participate in the same. The management of the hall was in charge of officials called Mizukata, or water-men, so called because they sometimes sprinkled water on the floor after closing hours to get rid of those who continued to carry on business.

Transactions on the Zeni.—When the gold and silver session was over, business turned to copper money each day, the transactions being upon the basis of the day's quotations of gold and silver. Business in copper went on twice a day, first at the Gold and Silver Exchange immediately after transactions in gold and silver were over for the day, and second on the street where the merchants gathered each day for the purpose, just as there are two markets, morning and afternoon, at the Stock Exchange in our own time. During the copper-coin session, copper-coin exchange merchants, who were not permitted to participate in transactions on the floor, gathered outside the exchange building, and it often happened that, learning of the day's conditions inside, they came to do business among themselves, and made up their copper-money quotations for the day, which, however, were not accepted by the people as the public quotations. After transactions were over in gold and silver money at the Osaka Exchange, they turned to gold and silver bullion and exchange on Edo.

The Exchange for Time Transactions.—Transactions in gold and silver at the Osaka Exchange were limited at first to cash bargains only, but later a sort of time bargain was started, as stated already. The Government did not like it, and prohibited the practice of time transactions, but in vain, for nothing so strongly appealed to the exchange men as speculative time bargains. In 1763 a certain Riyemon of Edo applied to the Shogunate's Finance Minister for official permission for time transactions in money in Osaka, proposing that, if his application were accepted, the new exchange would contribute to the Shogunate 1,500 ryo of gold every year regularly. His application was accepted, and two exchange places were established for time transactions. The new exchange was called Kin Sen Nobe Baibai Kaisho, or Meeting-place for Time Transactions in Metallic Money, and there were over two hundred members in Osaka, each of whom was given a kabu certificate. These men named from among themselves several officers, who took charge of the business of their exchanges. In 1764 the Mayor of Osaka issued an order to the people of Osaka prohibiting time bargains on metallic money, except at the aforesaid exchange-place established for the purpose, and in 1784, upon appeal from those connected with the new exchange, the Shogunate reduced the annual contribution to 1,000 ryo of gold.

THE EXCHANGE-HOUSE IN EDO.—The foregoing is the history and organization of the exchange-house in Osaka, where the system originated in Japan. The exchange-houses in Edo in character and organization are similar to those in Osaka, because they were copied from them or started by Osaka merchants, who moved to Edo and organized their business after the methods already in practice in Osaka. With the development of Edo as a commercial town, exchange business became flourishing in that city, and the number of houses increased, especially after the currency revision of the Genroku period. Like those in Osaka, these exchange-houses in Edo, too, were of different kinds, according to their history and lineage. The biggest were in Moto-Ryogae-cho and Suruga-cho, commonly called Ryogae-cho, and were denominated Hon-Ryogae-ya. They numbered about ten at first, to decrease to six in the era of Kyoho; and besides their exchange business in gold and silver they examined the money paid to the Government in taxes, but did not touch exchange in copper coins. And, in addition to the Hon-Ryogae-ya, there were ordinary Ryogae-ya, who were scattered over different streets in the city, and were engaged in the exchange of gold and silver money as well as of copper money; they were smaller both in capital and organization, and all attached to some or other to the principal six exchange-houses. In 1718, when the Shogunate adjusted the commercial system in Edo, it limited the number of the exchange-houses in the city to 600 in all, but the Kanyeiji Temple in Uyeno had permitted the establishment of 43 exchange-houses in its own territory, and its influence with the Shogunate was so great that the Government had to recognize those exchange-houses, so the total number in Edo became 643 in consequence. Official limitation in number means official protection to the business, and official protection means special privileges to those engaged in this line of business, who, therefore, paid a certain tax to the Shogunate for the privileges. Rights to these privileges naturally became a patent kabu, and were negotiable articles. The number of the exchange-houses in Edo remained at 643 till the era of Tempo, but the limitation was removed after Mizuno Tadakuni's reform in 1841, by which reform all business privileges or kabu, including the Tokumi Tonya and other trade associations, were abolished, and every merchant was given an equal opportunity in trade. Of the then exchange-houses, four were Hon-Ryogae-ya, namely, the

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Echigo-ya (Mitsui), the Izumi-ya (Sumitomo), the Harima-ya (Nakai), and the Takehara; and the remainder were called Bangumi Ryogae and divided into three groups. Transactions in gold and silver were made in the following way :—

> Four men representing the Hon-Ryogae and the three groups of the Bangumi Ryogae meet at their meeting-place in Hon-Ryogae-cho every day and fix the current prices. The exchange merchants in the city come to the Hon-Ryogae-ya and other representative exchange-houses every day to sell or buy gold and silver. The Hon-Ryogae-ya and others, considering offers from these merchants, decide quotations for the day. Quotations and the amount of transactions are reported by the director of the meeting-place to the Kawase-gumi and Suruga-cho every day, and the same are reported to the accountant's office and warehouse office of the Shogunate by the Mitsui-gumi and the Junin-gumi, also to the Treasury. Occasionally the price of copper money on the previous night is also reported. In the early times, quotations on gold and silver, like quotations on copper money, were decided by the merchants meeting on the street of Moto-Ryogae-cho, but afterwards they began to meet at a certain fixed place for the purpose, as they do at present.

THE TWO MERCHANTS OF GOLD AND COPPER COIN IN EDO.—Before the Tokugawa period Edo was nothing but a very small village in the eastern part of Japan. The east was, in general, poorer than the south-west, and did not produce so much silver as the west. Therefore, Zeni was the standard currency in the east in the early days ; but with the establishment of the Tokugawa Shogunate, Edo became the seat of the Government and the political centre of Japan. The Tokugawa removed to Edo all Toyotomi's hoarded gold, and opened and operated the gold mines, in which the east was rich, under which circumstances gold became the standard currency in Edo in the place of Zeni. Nevertheless, as Zeni had been in principal use for so long in Edo, it was necessary to establish quotations both in gold and copper money. Kyoto, Osaka, and other western cities had been rich since the time of the Ashikaga, and, besides copper money, silver currency had been in use, and quotations there in the early days were of silver against copper money. After gold became the standard currency in Edo, gold money began to be used in daily business transactions in Osaka, together with silver and copper money, and exchange transactions in Osaka became very complicated, as prices had to be fixed every day of silver against gold, and silver against copper money. In 1608 the price of copper money was officially regulated at 1 kwamme in case of Chinese copper money and 4 kwamme in case of the Japanese copper money against 1 ryo of gold, but after the Shogunate had minted the Kanyei tsuho copper coin in 1636, the price of that copper coin was fixed at 4 kwamme against 1 ryo of gold. Afterwards, the price of copper coin gradually went down to

5 kwamme, then to 6 kwamme, and in 1836 to 6.5 kwamme, in 1855 to 6.68 to 7 kwamme, and at last even to 10 kwamme per 1 ryo of gold. It sometimes happened that the price of copper coin went up on account of the gold coins being of an inferior quality, and when the silver coins, too, were inferior in quality and scarce in volume. Thus, for instance, in 1713 the price of copper coin was 2.28 kwamme against 1 ryo of gold, which went down to 3.42 kwamme afterwards, but again went up to 2.688 kwamme in 1720. On such occasions when the price of copper coin was high, some exchange merchants, availing themselves of the high price, cornered the market. In 1722 the Shogunate inspected every exchange-house in the city and fined anyone who was discovered to have been hoarding copper coins, on which occasion an exchange merchant called Nagara was fined 30 ryo of gold for having kept over 400 kwamme of copper coin in stock.

Profit of Exchange Merchants.—Let us now see the origin of the exchange rate among the three different kinds of money—gold, silver, and copper. It came first from the commission that the exchange merchants charged for exchanging one kind of coin for another. In later years, when the demand increased for these three kinds of coins, and certain rates of exchange became fixed, the merchants exchanged according to the rates of exchange prevailing at the time, and also took a kind of commission, which they called kiri-chin (cutting fee). Profit was derived from three sources : one was the kiri-chin, another was the difference between the daily quotations of gold, silver, etc., and the actual prices.

When the price of silver was 60 momme against 1 ryo of gold in reality, the exchange merchants published two prices—one is 59.7 momme and the other 60.1 momme. If a man applies to get his silver money changed to gold, gold pieces will be sold to him at 60.1 momme, provided the published quotations of the day are 59.7 momme and 60.1 momme. At any rate, the buyer of gold has to pay the higher of the two quotations. On the other hand, if a man wants silver for his gold, he will get the lower of the two published prices, or 59.7 momme.

The third source of their profit was interest on the money which they invested. From the beginning till the closing years of the Tokugawa period in Osaka the exchange-houses took charge of deposits from their customers, in many cases as a favour, and did not pay any interest at all, though the circumstances were different in Kyoto, where, in most cases, interest was paid on deposits. In Osaka the exchange merchants obtained their capital without paying any interest, and lent it to the feudal lords or merchants and charged them the prevailing rate of interest, or they did services to the lords with their capital, and received from the latter regular rice allowances in return.

Such an allowance was for the support of ten men a year at the minimum, and, in some cases, was even 6,000 koku or 10,000 koku of rice. The Konoikes in Osaka received 10,000 koku of rice allowance; while its chief clerks each received a rice allowance from this or that clan lord. As their business was so lucrative, the exchange merchants were mostly rich, and besides, because of their monetary relations with the feudal lords, the exchange merchants, unlike merchants of other lines of business, could easily approach the lords; and many of them led lives as luxurious as those of a daimyo. Neither did their families nor employees lag behind them.

The Taxes of the Exchange-Houses.—As their profits were big, the amount of tax that they paid to the Shogunate for the exclusive rights was also big. Their turnover in Edo in 1780 and 1781 averaged 1,981,147 ryo, while in 1782 the figure came to 1,829,217 ryo. The Shogunate demanded 35,000 ryo a year as a tax on the above amount of business transactions, but the exchange merchants appealed for a reduction to 20,000, in which they were successful.

The Number of the Exchange Merchants limited.—In return for this tax, the Shogunate limited the number of the exchange merchants to the existing number, and did not permit other merchants to do exchange business, thus giving its taxpayers exclusive control of the trade. In November 1784 the Shogunate issued the following decree in this connection. The decree was addressed to the Elderman of Edo, and, among other things, it says:—

> As the exchange merchants have paid their tax to the Shogunate, those merchants already on the list are alone permitted to do the business, and other merchants are not permitted to sell money to ordinary people, but should sell the same to the exchange merchants.
>
> *November* 1784.

A similar tax was levied on the exchange merchants in Osaka as well, and to recoup themselves they refused to accept cracked or underweight coins, despite the Government regulation that these damaged pieces should be accepted on their face value. When levying the tax the Shogunate promised that it would withdraw these damaged pieces out of the market and repair them, so that the exchange merchants might not suffer any loss on account of them. The exchange merchants, therefore, had right on their side, and in December 1787 the Government announced the discontinuation of the tax on exchange business, exempting all the exchange merchants from paying any tax to the Government and, at the same time, ordered them to accept damaged gold pieces for exchange without any condition. A similar order was issued regarding damaged silver coins as well, provided they were in such a condition that the mark could be recognized. The Shogunate itself accepted such damaged pieces in tax payments ; but as the Goto family, in charge of the Shogunate's Gold Mint, was strict in examining coins that were paid in for taxes, the exchange merchants, too, either declined to accept damaged coins or demanded a discount if they did ; especially were they strict in examining cracked coins, and as they bent the damaged piece in examining it, the crack grew steadily wider until the piece broke in two in many cases. Such being the case, in 1793 the Shogunate issued a decree threatening with punishment any exchange merchant who declined to accept damaged coins, or demanded a discount if he did ; but at the same time it was also decreed that if these damaged coins were broken or had holes in them, or were in a similar bad condition, they should be presented to the Gold Mint at once for repair in accordance with the laws.

The Currency Revision of Genroku and the Exchange Merchants.—We have outlined in the foregoing pages the character and organization of the exchange-houses both in Osaka and Edo, and it was the currency revisions of the Tokugawa Shogunate that made exchange business more complicated and caused its developments. All the circumstances attending the currency revisions accomplished during the Tokugawa period have already been discussed. Nevertheless, we have to repeat here what was directly connected with the exchange business in those days. The first revision of currency that the Tokugawa carried out was in the 8th year of Genroku, August 7, 1695. As already stated before, the intention of the Shogunate was to cover the then deficit in its annual revenue. The revised currency, both gold and silver, in the era of Genroku was, therefore, worse than the previous currency in quality, and the Genroku gold coins, such as the Koban gold and the Ichibu-han, weighed 47.29 momme per 10 ryo worth, each of the coins containing 564/1000 of gold, while the Genroku silver coins, such as the Chogin silver and the Mameita silver, each contained 64 per cent. of silver and 36 per cent. of copper. When compared with the Keicho gold and silver coins, the Genroku gold was in quality about 65 per cent. of the Keicho gold, and the Genroku silver 80 per cent. of the Keicho silver. In June, the 10th year of Genroku (1697), the Shogunate revised the Ichibu-kin gold as well, but the new Ichibu-kin was of an inferior quality to the Keicho Ichibu-kin in the same proportion as the Koban was. The gold and silver coins, as revised in the era of Genroku, were commonly called the Genji gold and the Genji silver, and they were so inferior in quality to the Keicho gold and silver that the Shogunate announced that, in exchanging Genji gold or Genji silver with Keicho gold or Keicho silver, it would pay a certain premium, and, as a matter of fact, until 1707 it paid 101 ryo of Genroku gold; and from March 1708 till May in the following year, 103 ryo; and then till April 1710, 110 ryo; and afterwards, 120 ryo, against 100 ryo of Keicho gold. Yet the people were not satisfied, knowing that the premium was not sufficient to cover the difference in value. Most of the people, therefore, were reluctant to part with the old gold and silver in their possession for exchange with the new gold and silver pieces, and preferred to conceal it. Some even out of the old coins in their possession coined new ones, exact copies of the Shogunate money, and parted with them at a profit. The Government announced that the old gold and silver were permitted to circulate side by side with the new coins till March 1698, as before, but that after that time the circulation of the old gold and silver would be prohibited entirely. It expected that this would oblige the people to turn in the old coins for exchange with the new ones, but the expectation was not fulfilled. The old coins did not appear, and even after the time-limit had expired, the Shogunate, in fact, could not prohibit the circulation of the old gold and silver in the market side by side with the new ones; the people so hated the new coins on account of their inferior quality.

Rise in the Prices of Silver and Copper Coins.—Genroku gold was baser than Genroku silver, and the people naturally preferred the latter. At first the price of Genroku silver was from 62.3 momme to 62.5 momme for 1 ryo of the Genroku gold, which afterwards rose to from 48 momme to 48.5 momme. Not only the silver but the copper coins were of a better quality against the gold coins comparatively, and the people would take copper coins rather than the gold pieces; and consequently the price of copper likewise went up. The price of gold coins went down to the same degree against both silver and copper.

The Prices of Silver and Copper Coins officially Fixed.—In these circumstances the Shogunate was compelled to establish officially the prices of both silver and copper, so they might not go up too much against the price of gold. By a decree issued in this connection in November 1700, the Shogunate fixed the prices of silver and copper, paid by the Government, at 60 momme of silver and 4 kwamme of copper against 1 ryo of gold, and decreed that these figures should be followed in the market as well, but that, in view of profit the exchange merchants would make, the price of silver should not be higher than 58 momme, and that of copper not higher than 3.800 kwamme against 1 ryo of gold till December of next year. Then the Shogunate, as another measure to prevent the price of silver going up, ordered the big merchants in Osaka to purchase 1,500 kwamme of silver in the castle of Osaka and put it on the market. All these measures adopted by the Shogunate with a view of checking the rise in silver were to no purpose, and not only the prices of silver but that of copper coin rose continuously, and silver was quoted from 50 to 56 momme and copper 3.500 kwamme or so against 1 ryo of gold. Silver so widely circulated that even in the eastern district, where gold had been the standard currency in commerce, it began to take the place of gold, and the prices of the commodities were fixed upon the basis of silver currency, some merchants even refusing to accept the new gold money of Genroku. Silver was more active in Osaka and the other western cities, where it was the standard currency, and naturally the price of silver went even higher, accompanied by a sudden rise in the prices of commodities, which gave rise to many troubles arising out of commercial transactions. The Shogunate prohibited transactions in silver or copper for any prices higher than the officially announced quotations, or any attempts to corner the market for silver and copper, but the decree was practically of no purpose. Business transactions in silver increased continuously, and the prices of silver and copper steadily went up. It was, therefore, an important and urgent question for the Tokugawa Shogunate to adjust the difficult situation thus created and to ascertain the views of the exchange merchants. In January 1706 it called a conference of ten representative men at the Tribune's office in Osaka and asked them to express their opinions on the question. They were as follows :—

> In the western districts silver had been the standard medium for commercial transactions and gold had not been circulated widely, and the people had not known a gold currency. Some years ago the Government fixed and announced the official prices of silver and copper, and ordered that both gold and silver should be accepted equally in business transactions and allowed to circulate without hindrance. Nevertheless, our people preferred silver money, and the result is that we have more than plenty of gold, but have been always short of silver, which has been so widely used for business purposes. Since the last decree, gold and silver have been made a standard currency in this part of the country, and as silver has been so busily used, its scarcity is keenly felt, but gold lies idle in the coffers of the exchange merchants. Why is silver scarce in the market ? It is not because the people keep silver in their coffers, but as gold was made a standard currency the same as silver, and silver transactions are not done so much as before, when silver was the only standard currency in this part of the country, etc. The only possible remedy of the situation created was, they said, to withdraw the official prices of silver and copper and let things go on as they would. If the official prices of silver and copper were removed and free and equal transactions were permitted in commerce and trade, gold and silver would be used

in business equally side by side. The price of silver might go up some time as a result of such a measure, they continued, but when it reached too high a price it would come down, and exchange could be made freely.

The Shogunate listened to these opinions of the exchange merchants and with a view to causing a fall in silver quotations began the recoining of the Genroku silver in July the same year, calling the recoined silver Niho-gin. The quality of the new coin was so bad that it was 50 per cent. copper and the people did not like to accept it, consequently the price of the new silver went down and the prices of commodities went up.

The Currency Revision of Shotoku.—The recoining policy of the Genroku period, whereby coins of an inferior quality were made out of the old coins of better quality, was discontinued with the death of Shogun Tsunayoshi, who started it. Iyenobu, who succeeded Tsunayoshi as the sixth Shogun, knew that the people had been suffering from the currency policy of his predecessor, and in April 1710 began his recoinage, attempting to make gold coins of a better quality to take the place of the Genroku gold and, at the same time, prohibiting the circulation of the Nishu gold. His new gold coin was called Kenji gold, and it contained 834/1000 of gold, and was nearly as good as the Keicho gold, but in weight it was little more than one-half of the Keicho gold, the piece of the Kenji gold weighing only 24.85 momme. In spite of that the Shogunate announced that the old Genroku gold, plus 16 momme of silver, was equal to the Kenji gold. In other words, the difference between 1 ryo of the Genroku gold, which was of such an inferior quality, and the Keicho gold, which was far better in quality, was only 10 momme of silver. That not only disturbed the standard of quality for currency, but was at variance with Iyenobu's principle of making coins of a better quality in the place of the Genroku gold of an inferior quality, which was the cause of the suffering among the people. To make matters worse, the Shogunate announced at the same time that the 10 momme silver premium to be paid in exchanging 1 ryo of the Kenji gold with 1 ryo of the Keicho gold was a legal standard for exchange, and that the exchange-houses were permitted to get as much additional premium as they wanted in exchanging these different kinds of coins. Besides, though Iyenobu, through his currency revision, improved the quality of gold coins, he forgot or had not a plan for the improvement of the quality of silver coins, which continued to be made in accordance with the specifications used in Genroku; and, in fact, the quality of the silver coins made during Iyenobu's reign was not improved at all, but was even worse than before. For instance, the Shiho silver, made in 1711, contained 80 per cent. of copper, and could more properly be called a copper coin. In September 1712 the Shogunate announced the discontinuation of the making of new silver coins, and also that the silver coins, old and new, should be circulated side by side. The exchange merchants were not slow in seizing opportunities thus given them by the situation, and made profit out of exchanging the old silver for the new, and vice versa. The Shogunate issued decrees several times, and prohibited the exchange men manipulating the silver exchange, but to no purpose, and they continued to make undue profit in this particular line of their business on account of the foolish policy of the Shogunate.

THE CARRYING OF THE OBAN GOLD OUT OF EDO PROHIBITED.—Prior to the currency revision of Shotoku, the Tokugawa Shogunate, having been planning a revision of the currency system to improve the then existing gold and silver coins, against which the people had been complaining so much, issued an order in February 1712 to the exchange merchants in Edo, forbidding them to take the Oban-kin, or big gold pieces, out of the city of Edo or to distant districts. The idea was to keep the old big gold pieces in stock in Edo, or within reach at least, until the currency was recoined, as they had been planning. In 1714 the Shogunate decided to carry out its plan and effect a thorough revision of currency, both gold and silver, and as a result of the currency revision of Shotoku, gold and silver coins were improved in quality—that is, they were of the same quality as the Keicho gold and silver; but as the new coins weighed only one-half of the old, the exchange men did not welcome them. The Shogunate, therefore, in a decree prohibited the exchange merchants doing anything to prevent the circulation of the new coins.

EFFORTS FOR THE CIRCULATION OF THE NEW COINS.—The Shogunate made every effort to deal with the cunning exchange merchants, who attempted to make unreasonable profit out of exchanging the new coins with the old ones, and who had many chances to do so, because the people at large did not possess enough knowledge of currency. It was very difficult to restrain these men, and the Shogunate at last had the exchange merchants form a trade association among themselves, which association had an officer in charge of business whose duty it was to collect every day a certain amount of the old coins made since the era of Genroku, and present them regularly at the exchange office of the Shogunate for exchange with the new coins. Besides, the exchange merchants in Edo were ordered to bring to the said exchange office from 3,000 ryo to 5,000 ryo of the old coins regularly every day to be exchanged for the new coins. Thus the new coins, after the currency revision of Shotoku, were circulated.

The Good Currency driven out by the Bad One.—As already stated, the Shogunate wanted the old coins made since the era of Genroku collected in Edo so that they might be used as material in making the new coins at the Shogunate's mints, and constant efforts were made in this connection. They failed, because the exchange merchants, through whose hands the old coins were collected, were too keen to avail themselves of opportunities given them by the currency revision of Shotoku for profit-making. They knew that the new coins were of a far better quality than the old Shotoku coins, and that there was a difference in price between the old and new currency, and they made their payments in the old coins, instead of in the new, as much as possible, and took the difference in price between the two. For instance, if they had to pay 1,000 ryo for merchandise, they paid it in old coins, instead of new coins, and profited by the difference. As these merchants bought most of their new goods from the country districts, a large amount of the old bad coins found their way into these country districts out of Edo in that way. The result was that the good currency was driven by the bad currency out of the market. In December 1715 the Shogunate issued a decree to the merchants in Edo forbidding them to send the old coins out of Edo any more.

The Currency Revision of Genbun and the First Iron Coins. In Kyoto the Shogunate permitted the exchange merchants to transport to Edo through the post or by ship the old gold and silver coins, but the exchange merchants in Edo were absolutely forbidden to send them out of Edo for whatever purpose. At the same time at Kyoto, as in Edo, the Shogunate caused the exchange merchants to form an association, and they collected a certain amount of the old coins daily and brought them to the Shogunate office regularly for exchange with new coins, so that the old currency in circulation might be replaced with the new as quick as possible. In the first year of Genbun (1736) the Tokugawa Shogunate and feudal lords, who were the biggest land-owners of the country in those days, were put in a difficult position financially, and with a view to save the lords and the samurai class, as well as itself, out of financial difficulties, the Shogunate asked the leading exchange merchants to express their views on how to adjust the situation. These men unanimously declared that the principal cause of the low price of rice was the insufficient volume of currency then circulating, and recommended the Shogunate to increase the volume of currency circulating, even by replacing the good coins with those of an inferior quality. Accordingly, the Shogunate carried out the recoinage policy. But in the revision of Genbun the Shogunate truly intended to increase the volume of currency circulating, and save the samurai class out of their financial difficulties, but not to profit itself or to increase its revenue as the Shogunate did in the currency revision policy of Genroku. And in exchanging the old money with the new one, the Shogunate paid a fair rate of premium. In fact, the Shogunate planned and carried out the revision of Genbun with a fair mind, and did not twist things for its selfish purpose as before. The result was that the replacement of the old currency with the new one was done smoothly without any uncertain conditions in the market, as on the occasion of the Genroku revision of currency. The price of rice went up after the revision, as expected, but at the same time the price of copper coins, too, went up, and the people began to suffer. The Government planned to save the people out of their difficulties by reminting the copper coins, and for this purpose the Shogunate permitted, after 1736, the establishment of private mints for the making of copper coins at several places. Of these mints one at Kashima village in Settsu was run by Yorozuya Uhei and Gusoku-ya Rokunojo, two Edo merchants, and Bizen-ya Kayemon, an Osaka merchant, in co-operation; and at first the mint was engaged in the making of copper coins only, but, later, it began to manufacture iron coins as well, as there were both copper and iron coins circulating, their quotations differing. The rate fluctuated so frequently that there was much distress, and at last the Shogunate had to prohibit the making of iron coins.

THE FIRST DOUBLE STANDARD OF CURRENCY.—The Shogunate had been suffering from the shortage of gold, and in order to overcome this difficulty it manufactured a silver coin called Nanryo-Nishu-han in 1722, and publicly announced that eight pieces of the new silver coin should be exchanged with 1 ryo of gold, and that the new silver coin should be accepted at a fixed value, like gold money. This was the boldest attempt made by the Tokugawa Shogunate throughout its financial history, when silver as well as gold was made the standard currency. Until that announcement by the Shogunate, silver and gold coins circulated in the market side by side, but in practice gold had always been regarded as the standard of currency, and the price of silver money had been decided upon the basis of the price of gold. Despite the fact that the two kinds of currency, gold and silver, had circulated equally, it cannot be said that Japan adopted a double-standard system for her currency before 1772. But now that the Shogunate publicly announced that eight pieces of the Nanryo-Nishu-han silver should be equal to 1 ryo of gold, establishing the official value of the silver coin, it unmistakably meant the adoption of a double-standard system for currency a fundamental revision of the currency system of Japan. As stated above, the value of the Nanryo silver was fixed as eight pieces for 1 ryo of gold, and 10 ryo worth of the said silver weighed 217.34 momme, and as the Nanryo silver contained 97.75 per cent. silver, the ration between gold and silver was 1 to 9·5, very different from the prevailing ration of 1 against 15. The appearance of this silver brought about great changes, as can be imagined, in the proportionate prices of gold and silver in the market, and the possessors of gold money sustained much loss in consequence. Silver being standard for payment in Osaka as gold was in Edo, Osaka would have been in an advantageous position against Edo in the matter of exchange had the other silver coins, too, all been exchanged with gold coins at the same rate as the Nanryo silver was. But the rate was applied only to the Nanryo silver; and among the people in Edo and Osaka it was only those who possessed gold who suffered a loss as a result of the adoption of the double-standard system. Popular complaints were raised against the system, but the Shogunate did not listen, and in July 1774 made more Nanryo silver and sent it to Osaka, where its circulation was encouraged in such a way that the Shogunate loaned the exchange-houses, etc., in the new silver free of interest, and the merchants paid the loans back in gold the next year.

THE DISCONTINUATION OF THE NISHU-HAN SILVER.—At first the exchange merchants made special efforts for the circulation of the Nanryo silver, because the Shogunate gave them a commission of 4 per cent., but in 1773 the commission was abolished, and the Nanryo silver, like gold coins, had to be taken at its face value. The exchange merchants ceased to make special efforts to buy and sell the silver, the price of which naturally fell to where it should be, and 60 mommes went to 1 ryo of gold. Then the Shogunate discontinued making Nanryo silver in April 1779. By that time the economic system of Japan had been pretty well established, and the economic common sense of the Japanese people so advanced that the Shogunate with all its power could not direct economic conditions as it liked ; in fact, it could no longer make the exchange merchants do whatever it told them without regard to circumstances.

EXCHANGE BUSINESS BETWEEN OSAKA AND EDO.—At first the business of the exchange merchants was to exchange gold with silver, or gold and silver with copper coins, but since gold was the standard of currency in Edo and silver that in Osaka, the exchange men began to make bargains on the exchange rates between the two cities. Such time transactions on silver and gold increased as the economic relations between the commercial centres of the country became closer, thus adding a new line to the business of the exchange merchants. In order to know what exchange business between the two cities was, we must summarize the business conditions of these two cities in those days.

Business Conditions in Osaka and Edo.—Edo, which had been nothing but a very small village, suddenly grew into a big city with the establishing of the clan government of the Tokugawas. But the eastern districts of Japan were all poor in products, and especially so were the districts surrounding Edo, which did not possess such natural resources as the west. The wealth of Edo in those days consisted of rice which gathered there on account of the political power of the Tokugawa Shogunate, and gold and silver which were brought there to be used as material in the making of currency. The rice was mostly consumed by the inhabitants of the city, while gold and silver were expended mostly in getting merchandise other than rice for government and private purposes. In these circumstances business in Edo in those days was very poor. The position of Osaka was very different. Even prior to the time of Toyotomi Hideyoshi, who ruled the country from Osaka, and to whom Osaka owes a great deal of its development, the city had been a leading commercial centre of Japan. Sakai, which is situated on the same bay as Osaka, was an important port of entry when Japan was trading with Korea in the days gone by. Hyogo, the present city of Kobe, which lies a short distance from Osaka, was a seaport of importance in the time of Taira-no-Kiyomori, while in the time of Oda Nobunaga the Dutch ships sailed up the River Yodo for trade in Osaka. The geographical position of Osaka made the city a strategic point of importance, and when Toyotomi Hideyoshi settled there, merchants from such cities as Fushimi and Sakai and traders from Kyoto settled there in large numbers. With so much business talent assembled in Osaka, the citizens adopted the most improved business system in Japan; and in the time of Toyotomi Hideyoshi Osaka was the business as well as the political centre of Japan. After the centre of political activities moved from Osaka to Edo, Osaka grew as a business city more freely than ever, when the oppression of the samurai class, under which business had been restricted, was removed. Thus Osaka was much further advanced than Edo in wealth, commercial system, and business talent, etc. Each grew in different circumstances and had its own position, different from that of the other, in business. Edo was a consumer, and Osaka a producer. Edo was the political centre of Japan, and Osaka the great central market, where merchandise gathered from all over Japan, and was then distributed again. In Edo there were more retail merchants, but in Osaka more wholesale dealers. In their business relations Osaka was a creditor, and Edo a debtor. Shipping, communication, exchange, etc., all developed more in Osaka, and the most flourishing lines in Edo were such as restaurants, merchants in service to the samurai class, saké (wine) merchants, etc.

THE CREDIT SALES OF EDO.—How did business grow up in Edo ? From the time when Edo was a city with half a million till the day when the population increased to two million, Edo owed its commercial growth to the Tokugawa Shogunate, which was the biggest of all land-owners in Japan in those days—its annual revenue being 4,000,000 koku of rice—the hatamoto samurai, that is, retainers of the Tokugawas, feudal lords, and their retainers, who were stationed in Edo. But they were all consumers, who bought for their daily use. The hatamoto samurai, numbering hundreds of thousands, lived on salaries and allowances given them by the Shogunate, which were paid in rice at the Shogunate godown in Edo. As they were paid three times a year, the samurai supplied their needs from those merchants who would give them credit, and settled their accounts in July and at the end of the year. The merchants had to put on a percentage to cover the risk, and thus prices were high, and the profit made by these retailers was far greater than that made by the wholesale merchants. The hatamoto samurai, who preferred to purchase on credit, and the merchants who saw more profit in retail business than wholesale combined to make retail business prosperous in Edo. Though retail business brought more profit than wholesale business, yet most of the sales were made on credit, and it took a long time for settlement ; and, besides, there were sure to be bad debts. For these reasons prices on credit sales were naturally higher than those on cash sales. The rich samurai and others who could afford to pay in cash did not want to buy on credit and pay higher prices, and there was an opening for such cash merchants. The Mitsuis were the first to do cash sales in Edo. Their method was a revolution in the then commercial system and usage in Edo, where sales were all made on credit, and the example was followed by many great stores in Edo, and afterwards the method of cash sales was widely practised in all big cities and towns throughout Japan.

EDO, THE DEBTOR.—The majority of the merchants in Edo bought from Osaka, Kyoto, and other cities in the western districts, and most of them were the branches or detached sales agents of the wholesale merchants in those western cities. In its business relations with Osaka, Kyoto, and other western cities, Edo was always in the position of a buyer, therefore, of a debtor. Why was Edo a debtor to the western cities ? Because the western districts were rich in natural resources, and all the products raised in these districts were gathered in Osaka, whence they were again distributed to Edo and other eastern cities. A large volume of merchandise was forwarded from Osaka to Edo through the hands of the wholesale merchants in the course of a year. On the other hand, the eastern districts of Japan were poor in natural resources, and Edo had nothing to export to Osaka.

SPECIE SENT FROM EDO TO OSAKA.—Exports from Edo to the western ports were so small that the boats from Osaka to Edo did not care to stay in Edo long enough to pick up cargo to take back to Osaka, but hastily returned to make another voyage from Osaka, which they found better business. Only from time to time did these boats on their return voyage take a little cargo to Osaka from Edo. In Osaka's trade with Edo in those days exports overwhelmingly exceeded imports, and Osaka was always a creditor to Edo, which, therefore, had always to send specie to Osaka in order to settle her accounts. Thus far commercially, but politically the positions of the two cities were reversed, and Osaka was always debtor, and had to send specie to Edo for the following reasons :—

The Tokugawa domains were scattered in different parts of the country, and each had to pay a tax to the Shogunate. This was first paid in rice, and the rice thus collected was forwarded to Osaka, where it was disposed of, and the money thus acquired forwarded to Edo. The feudal lords, too, had to send rice and other products to Osaka and dispose of them there, and the specie thus gained they brought to Edo, where they resided. In these circumstances it may be said that the gold and silver of the samurai class were forwarded from Osaka to Edo, and that of merchants from Edo to Osaka. A post system was started for the purpose of the transportation of gold and silver specie between Edo and Osaka. The specie was carried on horseback or by men, and the business was very complex and troublesome. In April 1691 the Mitsuis of Kyoto applied to the Shogunate for the loan of the money that the Shogunate had to bring from Osaka to Edo for ninety days without paying any interest on it, agreeing to repay the money in Edo after the term of ninety days, and make no charge for carrying the money from Osaka to Edo. The proposition interested the Shogunate, who agreed to it. The Mitsuis borrowed money from the Governor of Osaka, and with that they bought silk and cotton clothes in Kyoto and Osaka, and forwarded the same to Edo, where they ran a dry-goods store. The store adopted the cash-sales method, and the goods were quickly turned into cash, and the Mitsuis paid the loan back to the Shogunate in Edo, thus doing a kind of exchange business. First they profited by using the Shogunate money for a period of ninety days without paying any interest on it, and they received it in silver in Osaka and paid it back in gold in Edo, availing themselves of fluctuations on the rates of exchange. The Mitsuis were the first to start this, but in later years the Shogunate permitted many other merchants in Edo to engage exclusively in exchange business between Edo and Osaka. These merchants were called Kin-gin Kawase Goyotashi, or Gold and Silver Exchange Merchants, serving the Shogunate, and were the wealthiest of all the merchants in Edo.

The Trade Rights of the Kawase Goyotashi.—As the Kawase Goyotashi formed associations among themselves and monopolized the business among a limited number, their business rights naturally became a sort of hereditary kabu, and when the head of a family died or retired from business, his heir succeeded to the rights held by his father. The matter of succession to these rights was discussed, and decided upon by the members of each of these associations, and, once decided on, the Shogunate could only approve.

The Profit of the Kawase Goyotashi Merchants.—The profits of these Kawase Goyotashi merchants made out of their exchange business can be imagined from what they charged for transferring tax silver to the Shogunate. They charged between 598 momme and 650 momme of silver per every 100 kwamme of silver, debiting the sender on whose behalf they transferred the money to the Shogunate. According to the regulations among these merchants, the items charged per 100 kwamme of silver were as follows :—

ESTIMATE OF EXPENSES FOR 100 KWAMME OF SILVER IN EDO.

400 momme for counting.
80 momme for boxes.
38 momme for paper, paste, nails, etc.
50 momme for shibukami paper, straw rope, etc., for packing the boxes of silver.
30 momme for coolie hire, transportation charges, etc.

598 momme per 100 kwamme of silver, or 5.98 momme per 1 kwamme.

ESTIMATE OF EXPENSES FOR 100 KWAMME OF SILVER IN OSAKA.

350 momme for counting.
80 momme for boxing.
41 momme for paper, paste, etc.
30 momme per packing of silver boxes, coolie hire, etc.
43.5 momme for packing, etc., when the money is to be sent to the Government office, coolie hire, and transportation charges in Osaka.
6 momme for candles.
20 momme for freight charges.
80 momme for miscellaneous expenses.

650.5 momme per 100 kwamme of silver, or 6.50 momme per 1 kwamme.

These exchange merchants, therefore, profited not only by using the money for ninety days without paying any interest, and by fluctuations in the market price of gold and silver, but were also paid so much, in the name of necessary expenses, for the forwarding of state money on behalf of the Shogunate.

Private Exchange Business started in Edo.—The foregoing is the exchange system established for the purpose of transferring the treasury money of the Tokugawa Shogunate between Edo and Osaka, but was not applied to commercial purposes. In later years, however, a man called Tonomura, in Osaka, applied the same method to commercial purposes between Edo and Osaka for the first time, and started what was called Edo exchange. As stated before, Edo always had to forward specie to Osaka to settle its accounts, and such remittances were made through the post. The exchange method, as invented by the Mitsuis, and referred to before, connected the remittance of the treasury money of the Shogunate from Osaka to Edo with commercial business in Edo, but the exchange method started by Tonomura connected the loans of the feudal lords with the merchants' transactions. Tonomura's method was, therefore, a more popular one than the Mitsuis. In those days most of the feudal lords borrowed money from the merchants in Osaka, for they were generally hard up. These loans were generally handed over in three instalments—one in the lord's own domain, another when he stopped in Osaka on his way to Edo, and the remaining portion at his residence in Edo, where he lived with a part of his retainers. In the case of the last instalment, the merchant did not send cash, but bought in Osaka a Kudari Kawase, or collection bill in the modern banking term, drawn by a merchant in Edo against a merchant in Osaka, and forwarded the bill, or bills, to the feudal lords in Edo, where they were duly met. Exchange accounts were settled between Osaka and Edo in the following way: The Osaka house gave the feudal lord a letter to their correspondent in Edo, authorizing him to receive such and such a sum, and would then advise their correspondent and transmit a bill drawn by an Osaka merchant against an Edo merchant who owed him money. The Edo house collected the bill and paid the daimyo on his request. In some case, the feudal lord did not draw the whole sum at one time, and left the rest with the exchange-house until he needed it; in which case they used the money without paying any interest on it. After this method had been started by Tonomura, it was adopted by the exchange-houses and merchants in Osaka, who were in service to the feudal lords, and in remitting to Edo did it by means of Tonomura bills of exchange, which subsequently became an important organ in business. The business of the exchange-house was now no longer so simple as it used to be, but became like that of a modern bank. No interest was charged on loans between one exchange-house and another in those days, and they were always on the look-out for negotiable bills of exchange, and bought them at the gold and silver exchange to use them for the settlement of their accounts without remitting specie.

KYOTO EXCHANGE.—Besides Edo exchange Osaka issued what was called Kyo Kawase, or Kyoto exchange. The Kyoto exchange had nothing to do with the samurai class, as Edo exchange had with the feudal lords. In Kyoto, as in Osaka, silver was regarded as standard currency, and there was not much fluctuation in the exchange rate of gold and silver ; so the Tonomura method was in practice only for convenience in transactions on gold and silver among the merchants in the two cities. The most noteworthy fact in connection with bills of exchange issued between Kyoto and Osaka was that in every bill of exchange issued by the merchants in Kyoto against merchants in Osaka was mentioned a discount of 3 or 5 momme against a face value of 100 ryo of the bill of exchange ; which means that discount or commission on the bill of exchange was paid by the merchant in Osaka, on whom it was drawn, while, when a merchant in Osaka issued a bill of exchange on a merchant in Kyoto, the drawer usually paid the discount. We can infer from it the difference between the character of the merchants in the two cities. The difference is again shown by the fact that the exchange-houses in Osaka did not pay any interest on deposits, but the exchange merchants in Kyoto did, to induce people to leave money with them, just as the banks are doing in our time.

DEPOSITS.—We have already explained why Edo was always a debtor to Osaka, but the characters of the respective peoples had something to do with it also. The people in Kyoto and Osaka knew very well the art of living, and were always considering how to live with the smallest possible expense, yet to get as much pleasure out of life as possible. This idea was applied to everything they did. Even in purchasing a bundle of vegetables or a slice of beef, etc., they never lost sight of the above idea. Careful as they were in saving money, they did not keep it at home, where it might be stolen and was subject to many other risks, but deposited it with an exchange-house, thereby making their credit good. The idea of the people of Edo on living was very different. They did not worry about economizing, nor did they know how to do so, as the people in Osaka and Kyoto did. In these circumstances the exchange-houses in Osaka in those days developed into a sort of modern banking system, while the exchange-houses in Edo did not develop so much, nor become so popular, the chief of them living on banking business for the Shogunate.

THE ORIGIN OF TEGATA.—The exchange-houses in Osaka utilized the deposits in two manners. They either made loans in cash or issued what was called a Furi Tegata, which is nothing more nor less than a cheque. According to the records available, Tennoji-ya Gohei, who lived at the end of the 17th century, was the first man in Osaka to issue a tegata, or bill.

DEPOSIT AND PAYMENT.—In dealing with deposits, what are called current deposits in the modern banking term, the exchange-house issued a Furidashi tegata to the depositor, sometimes one covering the whole amount and sometimes several tegatas of smaller amounts, as the depositor might desire.

If a Furidashi tegata was presented at the exchange-house which issued it, or at a correspondent of the issuing house, it was honoured in cash on request, and it circulated just as a bank's convertible notes do in our own times. The drawer of a Furidashi tegata, which was also known as Furi tegata, was called in moto, or originator of seal, and if the in moto had credit with the exchange-house, he could arrange to overdraw for a certain amount. No interest was paid on deposits, and the object of the depositor was rather to increase his credit with the exchange-house by depositing in it as much as possible, so that he could make better arrangements in connection with the issue of tegata or borrowing money from the house. If, therefore, he had cash, he would deposit it in his exchange-house and would make his payments in tegata, or cheques. The fact that a merchant dealt with a reliable exchange-house increased his credit in business, and all merchants desired connection with reliable houses for this purpose. On the part of the exchange-houses they would not accept a merchant as a client until they had made thorough investigation into his credit, standing, etc. Once they entered into business relations they would continue generation after generation, and not sever their connection. When they made loans to the merchants they used their own funds, and very seldom the deposit money, which was kept in the coffers as much as possible—certainly never less than 25 per cent. of it.

THE DEVELOPMENT OF TEGATA MADE THE EXCHANGE-HOUSE A MODERN BANKING SYSTEM.—The circulation of tegata was widely practised in Osaka in the era of Genbun, and the system, as it advanced, brought about a great change in the character of the exchange-house. At first the business was to exchange silver with gold, and gold with copper money, but in time the leading exchange-houses, known as Hon-Ryogae-ya, left this line of business and engaged in financial dealings with the feudal lords or in tegata business alone. They even refused to do simple exchange business. In these circumstances the tegata system naturally developed, as the leading houses all adopted it, and with its development the exchange-house became more like a modern bank. This change in the character of the exchange-house in its turn brought about further developments in the tegata system in keeping with the commercial activities of Osaka in those days. After the middle of the Tokugawa period, Osaka was said to control 70 per cent. of the whole financial strength of Japan. Indeed, the city was a great commercial centre, where products were brought from the different parts of Japan, and the merchants in the different districts throughout the country were all doing business with Osaka. Each clan was then permitted by the Shogunate to issue paper notes, the circulation of which was limited to the territory of the issuing clan. It was valueless in the territories of other clans. Gold, silver, and copper coins were the only currency that circulated throughout Japan as a whole, and it was not easy to transport a big amount of gold or silver specie among the different districts throughout the country. In Osaka, as we know, silver was the standard currency and used extensively. Silver money was usually in packages of 500 momme, twenty packages going to a box, known as the 10-kwamme box. In cases of a big payment, the coins were carried on a handcart or wagon, even within the city, and to transport such heavy boxes to a distant district was indeed difficult. That was one reason why the merchants preferred using tegata in their payments instead of specie, especially when the payment was a big one. Besides, in comparison with volume of business, the amount of currency in circulation was not sufficient, and if all payments had to be made in specie, business would have been hampered. The tegata system was adopted partly to overcome this shortage in currency. A third reason was the fact that the different clans that sold rice and other products of their respective districts in Osaka did not get payment in cash in Osaka, but preferred to have their accounts settled in Edo, the result being the increased issue of commercial bills between Osaka and Edo for the purpose. A fourth reason lay in the difficulty of knowing a genuine piece of gold money from a false one. For instance, the Koban gold coins were all of the same size, but made by different makers, each coin bearing the seal of the maker, but the seals of the different makers were various and complicated; and there were so many different makes that it was indeed difficult to tell genuine Koban from false ones. This was true of other coins, such as the Ichibu-han gold, Nibu-han, Nishu-kin, and Ichibu-gin silver, and Ishu-gin. There were, in fact, many counterfeit coins circulating, so well made that no ordinary person could distinguish them, the result being that whenever anyone received gold or silver coins in payment, he had to call at an exchange-house to have the coins examined. It happened occasionally that the counterfeits were so clever that even the experts were deceived. Transactions in specie were, therefore, limited to exchange merchants, and payments among the merchants at large were always by means of tegata. Such were the circumstances in which the tegata system progressed in Osaka in those days.

The Circulation of Osaka Tegata.—The tegata system soon developed in Osaka that the Furidashi tegata, issued by the exchange-houses in Osaka, circulated like modern banknotes, and even such small payments as 10 momme were made in tegata instead of in specie. We are told that it caused no surprise if a man paid a bill in a brothel with a tegata. Prior to those days, men had been used to pay such bills by weight in chogin, kodamagin, and similar coins. How far the tegata issued in Osaka circulated is an interesting subject to study.

Paper was known in the provinces, but it was purely local. Tegata issued against the merchants in Osaka were good, not only in Osaka, but in such business towns around Osaka as Hyogo (Kobe), Nishinomiya, Kishiwada, Itami, Imazu, Naruo, Nada, Ikeda, Amagasaki, Sakai, Ibaraki, Takatsuki, and Kaizuka, and other towns in the provinces of Settsu and Izumi. Even a merchant who purchased saké at Takasago could pay with an Osaka tegata.

The Seven Kinds of Tegata.—In addition to the bill of exchange as referred to above, there were six more kinds of bills used in Osaka in those days. The first was the Azukari tegata, issued by the exchange-house against deposits and payable to bearer. The second was the Furidashi tegata, corresponding to the banknote of our own day. It circulated among the exchange-houses alone, and was good for the day of issue only, had to be settled by twelve o'clock midnight, and was payable in cash only by the exchange-house that issued it. It was, therefore, an accommodation bill for temporary circulation. The third kind of tegata was the kara tegata, or clean bill, which was usually issued by a small exchange-house against a big one in the form of an overdraft. It is said that an exchange-house with a capital of 10,000 ryo often issued such bills to a total amount of 50,000 ryo or 60,000 ryo by dint of an arrangement with another exchange-house. The fourth kind was called the Otegata, or big bill, but there was no special kind of tegata bearing the above name. A merchant, " A," owed money by " B," and in his turn owing to " C," in the expectation of " B " paying his account on the due date, would issue a bill on his exchange-house, and with it would settle his account with " C." Then " C " would hand the bill in question to his exchange-house, who would accept it without any objection as a cash payment. The above transaction was called the Otegata. The fifth kind of tegata was the Yakusoku tegata, or promissory note ; the sixth and last kind, the Kura-azukari tegata. This tegata was issued against different kinds of goods, but the most extensively issued and best circulated were those issued on sugar and rice. The Japanese Kura-azukari tegata means " stored in the godown," and the exact meaning was a bill issued against goods stored in a godown. The time-limit of this tegata on sugar was three years and three months, and in case a bill on sugar stored in a godown was dishonoured for any reason, all the other members of the sugar association to which the defaulter belonged had to assume entire responsibility for the bill in question. The bill was, therefore, endorsed by the association in its name. Not only that, but in case of fire, flood, theft, and such accidents, fresh sugar replaced the damaged or lost. The Kura-azukari tegata naturally circulated well without any difficulty. Since no storage was paid on the goods stored in the godowns an owner might leave them there for even three years. In the case of black sugar, which was disposed of by tender among the sugar-brokers, a bill issued on the same was endorsed by the successful bidder. In case of bills issued on rice in godowns, like the sugar bills, they were issued at the rice godowns belonging to the different lords, and the goods were disposed of by tender. When the tenders were opened, the successful bidder had to pay a deposit in three days, and had to settle the account completely in ten, thirty, or sixty days. Against such accidents as fire, flood, theft, etc., the godown owners assumed entire responsibility. These bills, too, commanded good credit and circulated freely. At the season for settlement of a yearly or semi-yearly account for all kinds of goods, even such daily necessities as fuel, charcoal, rice, fish, etc., payments were made in silver notes, and these notes were so well accepted generally that even merchants from other towns accepted and took them home. In fact, much more paper money than specie was circulating in Osaka in those days.

OFFICIAL PROTECTION OF THE TEGATA SYSTEM.—What was the reason for such developments of the tegata system in Osaka in those days ? The chief reason, no doubt, was the mutual trust that developed among the merchants in Osaka, as the result of long years of business intercourse. But if there was any political reason, it was the special protection that the Shogunate gave to the tegata system in the courts. Any suit regarding a dishonoured bill was given preference and heard without regard to the schedule of the court, and payment was enforced on the debtor. If an exchange merchant dishonoured or refused to pay a tegata without reason, he was imprisoned or subject to a similar penalty. Under this special protection the tegata system was upheld and well developed. Troubles arising in connection with a tegata were so speedily settled in the courts, and the tegata circulated so well, that all merchants took advantage of the system. It appears that in a lawsuit on a commercial bill the creditor was given preferential rights.

THE BUSINESS OF THE EXCHANGE-HOUSES WITH THE GOVERNMENT. Seeing how many Kyoto merchants in the eras of Genroku and Teikyo were ruined by lending money to the feudal lords, Mitsui Takafusa, founder of the Mitsui, warned his descendants and other merchants not to do business with the feudal lords, citing many instances of merchants' loans to the feudal lords which had resulted in serious loss. But, as often stated before, the Shogunate and the feudal lords were the biggest land-owners in Japan in those days. Then they were absolutely consumers. Besides, they were always ready to pay a higher rate of interest on loans than others. These points were a strong temptation to those who were eager to seize every opportunity to make money, and, in spite of the bitter experiences of the merchants of Kyoto, some who had not been sufferers started doing business with, or lending money to, the Shogunate and the feudal lords after the era of Genroku, daimyo kashi, or loans to the lords, as it was called. There were two ways of establishing loaning connections with the Shogunate and the feudal lords. The exchange merchants who did business with the Shogunate were called the On Kawase Goyotashi, or Exchange Merchants in the service of the Government, and they had charge of the Shogunate's financial business, large or small. Certain exchange-houses called the Fudasashi had the care of the affairs of the hatamoto samurai. The merchants who were in charge of the godowns where the feudal lords kept their rice were called the kuramoto, while the exchange merchants who did business with the godowns of the lords were called the kake-ya. In most cases one merchant was a kuramoto as well as a kake-ya, as both lines of business had to do with the clan godowns. The merchants who took charge of the rice that was paid for the salaries and allowances of samurai of the different lords were also called kake-ya. The On Kawase gate Goyotashi and the kuramoto were accorded the same treatment as the retainers of the Shogunate and the feudal lords respectively. Both were allowed to have family names and to wear two swords as the samurai class were, and they were accorded by the Shogunate or feudal lords the Fuchimai allowance, or rice ration. Naturally they held a good social position among the other merchants, and were a kind of nobility. So envied was their position that the wealthy merchants were all anxious to be appointed a kuramoto or kake-ya, and did everything possible to acquire the appointment. Of course, one method was to lend money to the lords, but it should be said that the kuramoto and the kake-ya were not the only ones who did so, for there were not a few other exchange merchants, and even ordinary merchants, who lent money to the feudal lords.

How the Osaka Merchants loaned Money to the Feudal Lords.—When a daimyo wanted to borrow money from some Osaka merchant he usually instructed the officer in charge of his rice godown in Osaka to enter into negotiations for the purpose, but occasionally he dispatched a retainer of high rank to Osaka, who would entertain the merchants at a dinner in a restaurant and there lay before them his loan proposal.[1] As the next step the kuramoto would issue a circular to all the tachi-iri (kuramoto, kake-ya, etc.) merchants concerned, asking them to send their representatives to a conference to discuss the allotment of the loan among them. After the conference, those who attended would consult with their senior men or executives, and when they had all agreed on the loan, it would be reported to the officer in charge of the clan godown in Osaka. These loans were needed to meet the lord's requirements in Edo, and the money was forwarded there either by a bill of exchange, payable in Edo, or in cash, according to the circumstances. One noteworthy fact in connection with these transactions was that, in most cases, the loans were made by a combine and not by one man. For the same reason we have the Consortium in China to-day. The feudal lords sank more deeply every year into financial difficulties, and they could not borrow money so easily as before. But money had to be found somehow, and the negotiators dispatched to Osaka did not disdain to study singing, dancing, and such arts in order to make themselves socially agreeable to the merchants, and get them to loosen their purse-strings. Those who succeeded in a loan mission in Osaka were naturally given important positions in their clans, and supple and frivolous men began to replace the soldierly and honest in all such posts simply because they were successful money-raisers.

Standard Coins.—In transactions on money among the exchange merchants, the Koban gold was regarded as the standard. There were very few Oban in circulation, and there was small chance of dealing in them. These big gold pieces were used only on such occasions as when high officials of the Government in Edo made presents to the Imperial Court or Court nobles in Kyoto. The feudal lords, too, residing in Edo kept them as their reserve money. In testing the quality of Oban the seal of Goto Mitsutsugu, the maker, was of the first importance. If Goto's black seal on the coin came off, the money could not continue to circulate, but had to be taken to the Gold Mint for repair, which cost 200 hiki. So much importance was attached to this black seal of Goto Mitsutsugu that, fearing it might come off, the people wrapped the coin first in raw cotton and then in a silk cloth. In other words, the gold pieces were treated more like a curio than current coins. Besides the Koban, or small piece, the Ichibu-kin, Nibu-kin, and Nishu-kin circulated, but were not regarded as standards for transactions in the market, where the Koban gold was the only gold standard coin. While in the Oban gold most importance was attached to the maker's seal, in the case of the Koban gold the seal on the paper package was the test; and in case of a deal this seal had to be inspected and compared with the specimens of the seals of the exchange merchants, which were in the possession of each exchange-house. Transactions in the Koban gold, however, were limited to the exchange merchants; among the merchants in general such coins as the Ichibu silver, Nibu silver, and Nishu-kin gold were used instead. After Japan opened trade with foreign countries during the era of Ansei (1854–9) under the leadership of Lord Ii, the then Prime Minister of Japan, the Koban gold was taken out of the country to a large amount, and the quantity circulating in the market became so scarce that the other gold coins, too, were used for transactions at the rate of 20 per cent. in every 1,000 ryo in the market.

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[1] In similar circumstances during the Russo-Japanese War, the Prime Minister invited leading bankers to dinner.

THE FORMATION OF THE FIRST TRADING COMPANY IN JAPAN.—In accordance with its promise to the United States of America and other foreign countries, the Tokugawa Shogunate made both Hyogo and Kawaguchi of Osaka trade-ports in the 2nd year of Keiwo (1866), when the Government held it was necessary to induce the people to form trading companies to trade with foreign merchants at trade-ports after the methods in use in Western countries. Lord Itakura, of Iga, a high official of the Shogunate, called a conference of Konoike Zenyemon and over twenty other wealthy merchants in Osaka at the Nijo Castle in Kyoto, and suggested they should form a trading company after modern methods to engage in foreign trade. Those who joined would be given the samurai privilege of wearing two swords and using family names, and each merchant would be endowed with a hereditary pension of from 50 koku to 200 koku a year. Of the Osaka merchants who joined the scheme, Konoike, Osada, Tonomura, Hirose, Ichizaki, and Shirogama had already been permitted to use family names and to wear two swords, in return for a special contribution to the Shogunate in the 1st year of Genji (1864), and the newly privileged were Takagi Gohei, Wada Kyuzayemon, Morimoto

Yonosuke, Shiroyama Yasubei, Asada Ichinosuke, Inouye Ichibei, Higuchi Jurobei, Osada Sakujigoro, Tonomura Itaro, Kihara Chubei, Matsunaga Ihei, Imahori Chotaro, and Konoike Zengoro. The company was established at Hatate in Nakano-shima, Osaka, and, besides the usual commercial business, took charge of the customs at the port as well. All the expenses in connection with the formation of this trading firm were borne by the twenty merchants, and the Shogunate never paid a sen, though it lent its officials to the company to do customs business, mostly collecting duty, etc. The Government had promised that the capital invested by the merchants in this trading company would be repaid from taxes, etc., raised by the company from the people, but could not carry out its promise. In the end, to pay off the merchants' investment, the Shogunate issued paper money or gold notes through the said trading company, a practice which the feudal lords had been following for the last two hundred years when they were in financial difficulty. Thus the issue of paper money by the Central Government, which had been discontinued for over five hundred years since the time of Godaigo Tenno, was resumed by the Tokugawa Shogunate.

THE WEALTHY MEN HAD TO ASSUME RESPONSIBILITY FOR THE PAPER MONEY.—This paper money was not in the form of convertible notes. It took the form of the silver bill the merchants in Osaka had been issuing among themselves, and bore on the back the seals of Konoike and the twenty other Osaka men interested in the formation of the aforesaid company. These merchants were, therefore, responsible for this gold note. The Shogunate at the time was tottering, and its fall was inevitable sooner or later, and the merchants of Osaka, as well as the samurai of the different clans, knowing this very well, promptly presented the notes for payment, which could not be refused by the guarantors. The famous twenty-one had advanced 100,000 ryo of gold in connection with the formation of the trading company, and in return received 100,000 ryo in paper money; but as they had to assume responsibility for it, it cost them another 100,000 ryo in addition to their original loan to the Shogunate. In due course, the Tokugawa Shogunate fell, and the Meiji Imperial Government succeeded it, to find itself with scarcely any solid source of revenue to meet the necessary expenditure. In imitation of the Shogunate, the new Government attempted to make the wealthy merchants in Osaka contribute to their treasury. An office for raising funds for the treasury was established, and Konoike and many other wealthy merchants in Osaka were called to a conference in Kyoto and attached to the new office, the Government in the name of the Emperor permitting them the privilege of wearing two swords and using a family name. The merchants started a campaign for raising funds, and they succeeded in getting 5,000,000 ryo for the Government from the wealthy men in Osaka, Kyoto, and other cities in the west of Japan. Since the new Government was going to use the money in military operations against some lords in the north-east of Japan, the fund had to be in Nibu-kin gold, and consequently a scarcity of gold currency was soon felt in Osaka and districts.

THE INCONVERTIBLE NOTE OF THE MEIJI GOVERNMENT.—Mitsuoka Hachiro, an accountant of the Meiji Government, who had experience in issuing inconvertible notes in the clan of Fukui, before the Meiji Restoration, recommended the issue of inconvertible paper money in order to meet the Government's wants at that time. The recommendation was approved by the new Government, and with a view of getting support from the Osaka merchants in carrying his plan into effect, Mitsuoka went down to Osaka and conferred with the representatives of Konoike and twenty others. He told them of his plan, which he said was necessary to meet the wants of the Government, and asked for support, upon which Takai Yasashichi, representative of Tonomura Heiyemon, narrated the circumstances attending the issue of the gold notes by the Tokugawa Shogunate, and the bitter experiences that the Osaka merchants had had in that connection, and said that the issue of notes, as proposed by Mitsuoka, would not succeed. Mitsuoka replied that the paper money that the Meiji Government proposed to issue was an inconvertible note for which the Osaka merchants did not need assume any responsibility, as with the gold note of the Tokugawa Shogunate. " Supposing," he added, " that 30,000,000 ryo of inconvertible notes were issued for a term of thirteen years, to be redeemed in thirteen annual instalments—in the first ten years redemption to be made in paper money, and the last three years in specie—the paper money would circulate effectively for thirteen years, and there would be about 9,000,000 ryo of specie in the end." His explanation convinced the merchants present of the workability of his scheme, which they approved, and the eleven leading exchange merchants in Osaka sent representatives to support the Government's plan. The paper money issued in these circumstances was the Dajokwan Shihei, or Paper Note of the Great Administrative Office. On the back was stamped the word " Motojime," or Original Controlling, which meant that the eleven Osaka merchants interested in the Government's scheme endorsed the paper money, or were, so to speak, underwriters. In other words, the financial credit of the Meiji Government was still less than that of the Osaka merchants in the market, so that their paper money needed the endorsement of the Osaka merchants, without which it would not circulate. As a matter of fact, despite the endorsement, the paper money was not welcomed, and the circulation of it was only forced by the power of the law. The raising of the contemplated fund for the treasury of the new Government, started by the Osaka merchants, as already referred to, had not yet been completed when Nibu-kin gold became very scarce, and its price so high that 100 ryo of it cost 200 ryo of Dajokwan paper. The Government attempted to make specie and paper money circulate at the same rate by threats of severe punishment, but by doing so simply increased the public dislike of the latter. So severe was the law that when a wealthy merchant was asked by the Government for contribution, for which he had not sufficient specie, and bought the necessary amount at a higher price secretly, he was punished if the transaction saw the light of day. But even the power of law and punishment could not overcome economic necessities, and at last the people dealt in the paper money by using a secret code, an instance of which is given below. A merchant wanted to buy specie with paper money, and wrote to his fellow-merchant as follows :—

> Dear Sir,
>
> In regard to the marriage of your daughter, Miss Omasa, of which you talked to me yesterday, her age is just right, if she is eighteen years old, as you say ; and I have in mind a very good young man whom I can recommend as a suitable fiancé to your daughter. The union, if realized, would be a very good match. I suggest you give consideration to the matter.
>
> Awaiting an early answer from you,
>
> I am,
> Yours, etc.

The daughter, Miss Omasa, stands for specie, and the latter meant that if the price of the specie was ten against eighteen of paper money a deal could be made. Of course, in Japanese society such a letter regarding the marriage of a daughter is an everyday affair.

Then the Government, in the name of the Director of Commerce in the civil department, issued further kinds of paper money, for such values as 2 bu, 1 bu, 2 shu, and 1 shu gold, until the total of the paper money issued by the Meiji Government amounted to 48,000,000 ryo altogether.

The Abolition of the Gimme System.—That throughout the Tokugawa period gold was the standard of payment in the east and silver in the west has already been often stated, and we have seen that the Shogunate issued what was called the Nanryo silver and enforced a double-standard system for currency in Japan, but even after that the two different systems of payment, Gimme and Kimme, still remained in practice, one in the west and the other in the east. The Meiji Government issued a law in May 1868 and prohibited the practise of the Gimme system, which brought about chaos in economic circles. The Meiji Government, in other words, which inherited Edo from the Tokugawa, inherited also the gold standard used in Edo, now Tokyo. This adoption was not the result of a comparative study of gold and silver as standards of currency, etc., but was due to the fact that the Meiji Government took as its capital Edo, where gold was the standard of payment during the Tokugawa period, and found it convenient to adopt the standard with the capital. There was, however, no gold left in the coffers of the Shogunate, and the new Government had to issue paper money to meet its wants, as already stated. The said paper money was issued on the assumption that it represented gold, and its circulation was considerably interfered with by the Gimme tegata, or commercial bills payable in silver, which were issued to a great amount and widely circulated among the merchants in the western districts, where the Gimme system prevailed. To stop the circulation of these commercial bills, payable in silver and representing silver coins, the Government by law abolished the practise of the Gimme system, on which the bills were founded, thus disposing of a dangerous rival to their own paper. The abolition of the Gimme system meant naturally the discontinuation of the Gimme tegata, and the question greatly concerned the exchange merchants in Osaka. The object of the Government in abolishing the system was purely selfish, but they had no intention of ruining the Osaka men, and with the twofold object of saving the exchange merchants in Osaka out of the difficulties arising from the discontinuation of Gimme tegata, and of making their own paper money circulate, the Government unofficially intimated to the Osaka people that they would lend them a large sum of paper money without interest. Such a loan in paper money from the Government not only necessitated many processes which were annoying to merchants, but an applicant had to be guaranteed by the Konoike and several other leading exchange merchants in Osaka ; and, faced with these, many preferred giving up their exchange business to continuing it by borrowing paper money from the Government. Thus the Ishizaki, Tonomura Itaro, and a few other leading exchange merchants went out of business, and they were soon followed by many smaller exchange-houses. In the end, in Osaka, only a few exchange merchants continued their business. They were Inouye Yasujiro, Hemmi Saichiro, Kihara Chubei, Yamaguchi Kichirobei, Tanimura Iyemon, Kawakami Risuke, and others. With the abolition of the Gimme system, gold, or paper money representing gold, became the standard of payment all over the country, and the old practice of quotations on gold naturally became unnecessary, and such big exchange merchants as the Konoike, the Tonomura, the Takagi, and others, known as the Junin Ryogae, who had been profiting by fluctuations in the prices of gold and silver for the past hundreds of years, also gave up their exchange business and devoted their efforts to financing the Government and different clans. The exchange-houses, as they were commonly called, which had had great influence over financial and business circles in Osaka for so many years, thus completely lost their special influence and position, and remained only as ordinary big merchants among the others in that city.

An Exchange Company Established.—In view of the fact that the abolition of the Gimme system, and the subsequent discontinuation of the Gimme tegata had brought about many failures among the exchange merchants, the Government planned in the 2nd year of Meiji (1869) the formation of an exchange company for the purpose of saving business circles in Osaka out of the difficulties into which they had been plunged. Such leading Osaka merchants as Konoike Zenyemon, Hirooka Ryuyemon, Osada Sakubei, Tonomura Heiyemon, Ishizaki Kihei, Nakahara Shobei, and others were called to Edo, where the Government ordered them to form an exchange company, of which they were named the directors. By paying a certain amount of guarantee money the directors were permitted to issue gold bills, a kind of commercial bill, the idea of the Government being to give facilities to the money market, which had been suffering from the discontinuation of the Gimme tegata. From the fact that the first paper money issued by the Meiji Government was called Kinsatsu, or gold note, and the commercial bills of the exchange company, too, were kin ken, or gold bill, it appears as if the currency policy of the Meiji Government was decidedly in favour of the gold standard, but it really had no strong feelings in the matter, and had simply inherited the kimme as it had the Government of Edo. The exchange merchants and others formed kumiai, or trade associations, among themselves, which, by depositing guarantee money with the exchange company, were loaned capital for their business, the members assuming joint responsibility for the loan from the exchange company, which usually lent 2,000 yen against guarantee money of 1,000 yen. The function of the exchange company which issued gold notes and made loans to associations of individual merchants, instead of individual merchants themselves, was like that of the Bank of Japan at present. It may be that the exchange company was formed after the form of the Bank of England. Small gold notes for 1 shu and 1 bu each issued by the Government were scarce, but the exchange company issued such small copper notes as for 200 mon, 300 mon, and 500 mon, so the market derived considerable facilities from them.

Transactions in Yogin.—Japan was opened to foreign trade under the Tokugawa Shogunate, and the Meiji Government succeeded to the foreign policy of the Tokugawa Shogunate. The foreign trade of Japan, therefore, greatly increased under the Meiji Government. As a result, a special kind of silver coin called Yogin was imported into Japan, and the price relation between gold and silver became very complicated. Yogin, or foreign silver, was the name given at first to Mexican silver money, but, later, silver coins of various kinds, particularly those made in the United States for use in her Oriental trade, were imported in large quantities into Japan and known by the same name. At first transactions in Yogin were limited to the small exchange merchants in Kobe and Yokohama, but it became an important line of business after Shibakawa Matayemon, a merchant in Osaka, established a big exchange-house in Kobe, and engaged in transactions in Yogin. After the Shogunate adopted the double-standard system, which disturbed the natural proportions of prices between gold and silver, chances had become less for speculation on fluctuations in the prices of the precious metals, and such chances decreased still more with the abolition of the Gimme system by the Meiji Government. But now that Yogin became a factor in the foreign trade in Japan, and its presence in the market made the price relations between gold and silver highly complicated, chances were given once more for speculation in fluctuations.

The Price of Yogin.—About the 3rd or 4th year of Meiji (1870–1) the price of Yogin in Kobe was quoted at 100 pieces of Yogin silver against 400 momme of Ichibu-gin silver, but the above quotation was only hypothetic, because actual transactions were made in the Nibu-kin gold and not in the Ichibu-gin silver. If the price of Yogin was 100 to 390 momme of the Ichibu-gin silver, that would be 97 ryo 2 bu of the Nibu-kin gold, and if 100 Yogin went to 401 momme of the Ichibu-gin silver, it would be 100 ryo and 1 bu of the Nibu-kin gold; but in Yokohama the price of Yogin was one piece of 60 momme of silver, and it was so decided because one piece of Yogin silver was worth one ryo of the Koban gold, which was equivalent to 60 momme of silver in Edo. These quotations of the Yogin were for the benefit of the exchange-houses in the two trade-ports only, and were not public quotations, which should be good in the market in general. Transactions with the foreign firms, therefore, were considerably inconvenienced, and the Department of Commerce suggested to the merchants concerned in Kobe and Yokohama to establish the Yogin exchange, where quotations could be made and published publicly; but the merchants in Yokohama then did not know anything about trade, exchange quotations, etc., courage being their only asset. For the purpose of teaching the merchants in Yokohama how to fix quotations, the Department of Commerce instructed the Exchange Company in Osaka to dispatch instructors to Yokohama. Hitotsuyanagi Chubei, representing Tennoji Gohei, and Wasuke, representing Kihara Chubei, were sent to Yokohama, and, with their assistance, an exchange was established there to fix quotations on Yogin. At the same time there was started a movement for the establishment of a similar institute in Kobe. Those taking part in the movement were Suyeno Gohei, representing Tonomura Itaro ; Miki Sanezo, representing Nakahara Shobei ; and Sibakawa Matayemon—all three were Osaka merchants, the last named having been a dealer in Yogin. Their movement met with opposition from the small exchange merchants in Kobe, who feared they would be squeezed out, but, with the support of the Department of Commerce, the promoters established an exchange-house in Osaka in the name of Kitani Fukuhei, which was exclusively engaged in foreign trade. The merchants interested were Tonomura Heiyemon, Ishizaki Kihei, Nakahara Shobei, Shibakawa Matayemon, Tonomura Itaro, Yamaguchi Dembei, and Toyoda Zenyemon. This exchange then established a branch in Kobe, and transactions in Yogin were all made upon quotations fixed there. Though a private concern the exchange fulfilled the same functions as a public one, and the quotations fixed there were regarded almost the same as public quotations.

The Age of Exchange Merchants Closed.—By that time most of the exchange-houses in Osaka had given up their old line of business, and Kitani Fukuhei's house was the only one dealing in Yogin. But the other exchange-houses in Osaka soon began to participate in Yogin business. From 1868 till 1872 the Meiji Government was busy in adjusting the works started by the Tokugawa Shogunate, to which it succeeded. From 1873 and on there was a general tendency to construct social, political, and other institutions after conditions prevailing in the Western countries, and nothing was more affected by this tendency than the financial and economic systems. The exchange company, a semi-official concern, established under the auspices of the Department of Commerce, was soon abolished ; and the Kitani Exchange House, which was, as it were, attached to the Exchange Company, was dissolved too. Soon afterwards the Government promulgated the Banking Regulations, after the Western methods, which closed the age of the exchange-houses and began the reign of the modern banking institutions in Japan.

CHAPTER LXV

THE FUDASASHI

What is a Fudasashi ?—When Tokugawa Iyeyasu established a complete military feudal system, the cleverer of the merchants, who had been oppressed by the samurai class for hundreds of years, established what may be called an economic feudal system within the wall of the military feudal system, and were as much lords of it as the Daimyo in his sphere. The most luxurious of these economic lords were the Fudasashi of Edo, whose business it was to take charge of the rice that was paid to the Hatamoto by the Shogunate, and dispose of it on commission, or lend money to the Hatamoto on the security of this rice. They were thus the monetary organs for the Hatamoto samurai in Edo, as the kake-ya were the monetary organs in Osaka for the feudal lords. To realize the position of the Fudasashi in the economic history of Japan one has to examine the official systems of the Tokugawa Shogunate, with which the Fudasashi had close connections.

The Shogunate Rice Godowns.—The godowns where the Tokugawa Shogunate kept its rice were at Asakusa in Edo, Osaka Castle in Osaka, the Nijo Castle in Kyoto, Otsu, and Shizuoka, etc. The lords of the different clans, too, kept a certain quantity of their rice in their respective castles, in preparation for an emergency. The most extensive of all the rice godowns throughout the country were the Shogunate godowns in Asakusa, built in 1620 on the bank of the river, where was kept the tax rice forwarded from the different territories under the direct control of the Shogunate, held partly against emergency and partly to pay the Hatamoto samurai their salaries and allowances. In the Kokwa era, 1844–7, there were 67 buildings with 356 chambers.

The Quantity of Rice stocked at the Asakusa Godowns.—The quantity in stock varied with the increase or decrease of the domains under the direct control of the Shogunate. In the time of Iyeyasu these were estimated at 2,500,000 koku or so of rice, but increased to 4,000,000 koku under Iyemitsu, the third Shogun. There were some changes afterwards from time to time, but the value of the territories was estimated at 4,000,000 koku or thereabouts ; and it must be understood that the above amount was an estimated one, and does not indicate the actual revenue to the coffers of the Shogunate. As a matter of fact, the revenue of one domain differed from that of another according to the productive capacity of the land, one territory producing four-tenths of its estimate value, another five-tenths ; and it appears that 35 per cent. of the estimated value was the average return. It must be remembered that rice was not the only produce, but in some cases land-taxes were paid in gold and silver ; and in some districts, which were too far from Edo for convenient transport, the Shogunate's representative disposed of the rice collected as land-tax there and paid to the treasury in money. Generally speaking, the quantity of rice collected in the form of land-taxes in the different territories owned by the Shogunate was about 640,000 koku or 650,000 koku a year, which was stored in the different godowns as follows :—

412,000 koku in Asakusa.
20,000 koku in Kyoto.
147,500 koku in Osaka.
13,500 koku in Shizuoka.
1,800 koku in Kofu.
150,977 koku of hulled rice in Kosuge village.
15,664 bales of hulled rice, and
15,000 bales of Hie at the godowns of the Hama detached palace (Edo).

The rice kept in Asakusa was expended for the necessities of the Shogunate itself, and payments to the Hatamoto samurai. The following are figures made up in 1818 :—

386,500 koku, total amount of rice received a year.
409,200 koku, total amount of rice paid out a year.

The latter amount was expended as follows :—
18,000 koku for the Shogun's household.
3,700 koku paid to the Tayasu branch of the Tokugawa family.
3,700 koku paid to the Hitotsubashi branch of the Tokugawa family.
500 koku paid to the Shimizu branch of the Tokugawa family.
2,900 koku for expenses at the family Buddhist shrines in Edo
30,300 koku for salaries and allowances.
5,100 koku for payments to housemaids.
16,000 koku for official salaries.
185,000 koku for kirimai allowance, paid three times a year.
3,500 koku paid to the Hamada branch of the Tokugawa family
The above, 268,700 koku in all, in the best and middle-class kind of rice.

127,000 koku for regular monthly rations (kirimai allowance), etc.
13,500 koku. Ration to the Daikwan officials, to Sarugaku dancers, etc.
The above 140,500 koku in middle-class rice.

The 410,000 koku of rice, with the exception of that used in the Shogun's household and the branches of the Tokugawa family, was all handled by the Fudasashi merchants—that is to say, 370,000 koku passed through their hands every year. What was the price of rice then ? In the early part of Bunkwa and Bunsei (1818–29) the rice crops were consistently good, and 1 koku could be bought for 1 ryo, which makes the turnover of the Fudasashi merchants about 370,000 ryo a year. 370,000 ryo of gold is not a big amount in our own time, but when we consider that the total expenditure of the Tokugawa Shogunate, the then Central Government of Japan, was not more than 1,500,000 ryo a year, it assumes very different proportions.

HOW THE RICE WAS DISTRIBUTED AMONG THE HATAMOTOS.—Before we discuss why the Fudasashi merchants were necessary in handling the rice at the Shogunate's godowns, we must see how it was distributed among the Hatamotos. In early days the number of the Hatamotos and Daimyos varied, but about Kyoho (1716–35) it became fixed more or less, and, according to an investigation made during the period, the number was as follows :—

1. Branches and relatives of the Tokugawa family and other daimyos, 264 in all. Holding territories of a combined value of 17,550,000 koku.
2. Hatamoto samurai, holding territories like other lords, 2,670 in all. Combined value of their domains, 2,637,530 koku.
3. Hatamoto samurai, who were granted rice as allowance by the Shogunate, 20,830 in all. Total of rice allowance in a year, 609,610 koku.

THE TWO KINDS OF PENSIONS TO THE HATAMOTO.—The Daimyos were lords holding a fief of the value of 10,000 koku or more, and Hatamotos who held a territory valued at 10,000 koku or more are included among the 264 Daimyos, as in the above list. The Hatamoto who received a lesser pension or rice allowance were divided into two categories, the chigyo-dori and the kirimai-dori : the former were given pensions by the Shogunate in the form of a fief or territory, on the revenue of which they lived ; the Hatamotos of the latter category were not given any land, but paid out of the rice in the Asakusa godowns. They were called Gokenin, or family retainers, as they were the direct retainers of the Tokugawa family. The number given in the above list is households, and if each household consisted of five members, the actual number of these Hatamoto must have been indeed hundreds of thousands.

THE FUDASASHI AND MIKURAMAI RICE.—It was customary from the beginning of the Tokugawa period for payment to be made in three instalments—one in spring, one in summer, and the last in winter. On each occasion payment was made according to the tegata, or bill, presented by each Gokenin and endorsed by the head of the group, to which the said Gokenin belonged ; and the process of getting payment was not so simple as it might seem. Of course, all applicants could not be attended to on one day, and names were drawn by lot. The names of the applicants and the amounts due were inscribed on pieces of paper and mixed up in a basket, which was then shaken.

The papers which fell through were the lucky ones, and they were handed over to the Fudasashi representing the Gokenin, who reported the result to his client. Sometimes the Gokenin dispatched a retainer or went himself to receive payment at the godown, or the Fudasashi, on his behalf, drew the rice. Neither did the Gokenin necessarily receive the whole of his payment in rice. He might take one-third in rice and the rest in gold, or two-thirds in rice and one-third in gold, or one-half in rice and the other half in gold, as he wished. In consequence, the Shogunate had to make public the rate or price at which rice was to be exchanged for gold. This official price of rice was called the Harigami nedan.

The Fudasashi's Relations with the Gokenin.—Why was it necessary, then, for the Fudasashi to act as go-between ? It is interesting to look at the developments in the relations between these Fudasashi merchants and the Hatamoto samurai, which show how the power of the sword sank before the power of the purse. In early Tokugawa days the Gokenin Hatamotos used to come themselves to get payment at the godowns, and there was no complex process to worry them. But the many peaceful years that followed completely changed the mode of life and character of the Hatamoto, who had played so important a rôle in the establishment of the Tokugawa Shogunate. They became accustomed to an easy and lazy life, and no longer cared to trouble themselves with the processes which they had to observe in receiving payment at the Asakusa godowns. Instead, they asked some small tradesmen who called at their kitchens for orders to go and get payment for them, and these men were glad enough to do it. In the meantime their mode of living became luxurious, and their household expenses so increased that the payment they received at one time was not enough to cover their expenses till the next payment, and many of them were in debt before that time came. Some of them, therefore, borrowed money from their tradesmen on the security of the next payment. At first the merchant was simply employed by his Hatamoto customer to get payment for him at the Government godowns, but when the Hatamoto was in debt to the merchant on the security of this payment the latter was given entire authority to draw the rice. Thus the Hatamotos were at the mercy of the merchants, and as there were many such merchants throughout the city of Edo, all connected with the Hatamoto, their business became an independent line, known as Fudasashi. Therefore, though apparently the business of the Fudasashi merchants was to get payment at the Asakusa godowns for the Hatamoto, yet the fact was that they seized the Hatamoto's payment from the Shogunate to cover the advances they had made and the interest accruing.

THE HATAMOTO AND THE FUDASASHI CONNECTED LIKE THE DAIMYO AND KAKEYA.—The relations between the Hatamoto and the Fudasashi in Edo brought about the same results as the relations between the Daimyo and Kakeya in Osaka. During the Tokugawa period Osaka controlled, so to speak, the finances of the Daimyos throughout the Empire. The special products of different districts, such as, for instance, the indigo of Awa or sugar of Sanuki, were all disposed of in Osaka through the offices of the Daimyo in the city, where he had his own godowns for the storage of products of his own district. These products from the different districts thus disposed of in Osaka were called godown goods, and the chief was, of course, rice. The quantity that reached Osaka from the different parts of Japan was as much as 3,000,000 to 3,500,000 koku a year, and the merchants who handled the rice for the different Daimyo were called the Kakeya. Their business was to dispose of the rice on behalf of the Daimyo, keep the money that accrued, and pay out as much as the lord wanted. But, as a matter of fact, there were few Daimyo who collected money from the Kakeya after their rice had been disposed of, for most of them were so hard up that they had already borrowed money in advance from the Kakeya, just as the Hatamoto were borrowing money from the Fudasashi on the security of their kirimai. One difference between the Fudasashi and the Kakeya was that the former formed a trade association among themselves with official recognition from the Shogunate, but the latter had nothing of the kind, and each Kakeya did business independently, most of them being big exchange merchants, although there were some other wealthy merchants, called Goyotashi, who also made loans to the Daimyo. The different Daimyo in those days, therefore, were dependent upon these wealthy merchants, mostly exchange merchants, for their finances. Of course, the scope of business done by the Fudasashi was smaller than that of the Kakeya, but as the Kakeya controlled the Daimyo financially, so the Fudasashi controlled the Hatamoto, who, though individually of small means, yet by their large numbers, over 20,000 in all, gave the control of a large sum.

ORIGIN OF FUDASASHI.—In 1724 the Fudasashi merchants in Asakusa, with permission of the Shogunate, formed a trade association among themselves for their mutual protection, putting limitation on their number. Up till then there was no official limit on the numbers, and there were merchants almost everywhere in Edo engaged in the Fudasashi business, ungoverned by any law or regulation. There were so many lawsuits against the Hatamoto who failed to pay their debts that both the merchants and the law courts were not a little disturbed. The Fudasashi merchants doing business near the Asakusa godowns, therefore, met in conference and decided on the formation of a trade association among themselves, and applied to Lord Ooka, Governor of South Edo, for official permission in 1723. The matter was investigated by the proper officials, and in July 1724 the application was forwarded to Lord Mizuno, Minister of the Cabinet, with the advice that the formation of such a trade association should be permitted, and the regulations governing it be prepared later, after seeing what results might happen. In the same month, the following Ordinance announced the Shogunate's permission to form a trade association of the Fudasashi merchants :—

> The Fudasashi houses at the Government godowns at Asakusa shall be permitted to form their trade association, and the members alone shall be allowed to act as Fudasashi, and no other merchant shall enter this particular line of business. The present Fudasashi merchants, 109 in all, who have signed the application for the formation of the association, shall be divided into three groups, namely, Katamachi-gumi in Katamachi Street, the Tennojimachi-gumi in Tennojimachi Street, and the Moritamachi-gumi in Moritamachi Street. Each group shall have five directors, who shall look after the business of their group. Their tenure of office shall be one month, and at the end of each month they shall be replaced by new directors. They shall fix each month the prices of the On Fujimai, On Kirimai, and Mikuradashimai rice, which are all paid out of the rice in the Asakusa godowns, and the prices of the rice so fixed each month shall be posted for the information of the general public. The directors of the three groups shall keep watch, so that the public prices of rice shall be strictly observed and never be overlooked or wrongly applied in the market. Should any merchant fail in adhering to the officially fixed prices he shall be excluded from the association ; his action shall be reported to the Government, and he shall be prohibited from doing any business at the godowns. In addition, he shall be forced to pay the difference between the official price and the actual price at which he dealt. If any samurai violate the regulations, he shall be also punished for it. The directors of the three groups shall be on the look-out that the members of the association shall not charge any higher rates of interest than the fixed rates on loans that they shall make. Such were the points set forth in the application, and the Government, after careful consideration, has decided to grant the petition, and these 109 merchants are permitted to form a trade association among themselves, and they alone are to engage in this particular line of trade. At the same time, in the future these merchants shall not charge interest at a rate higher than 15 per cent. a year on any loans they may make, though they are quite free to charge a lower rate of interest, if they wish. The points specified above shall be strictly observed, not only by the applicants themselves, but their employees as well. If any offence of any part of the regulations by anyone be overlooked by the officials of the association and be brought to light by anyone outside the association, the directors on duty at the time shall be punished for the offence. This particular point, too, shall be strictly observed by the members of the association. Should any samurai deal unlawfully with any of the merchants the matter should be brought to court at once.

Of the points raised in this Ordinance two were most noteworthy: one that the number of the Fudasashi merchants was limited to 109 in all and no other merchant was permitted to engage in the line, and the other is that as a result of the above permit, the rate of interest that the Fudasashi merchants charged on loans to the Hatamoto was fixed at not more than 15 per cent. a year.

THE FUDASASHI DIVIDED INTO SEVERAL GROUPS.—The Fudasashi merchants were divided into three groups, as stated before, but they were scattered over thirteen different streets; and in later years, when their influence greatly increased, they were often at variance with the Hatamoto. The Shogunate officials concluded that the cause of the trouble was inefficient control of the Fudasashi. In November 1747, therefore, they were divided into nine groups, and nine leading merchants were appointed the permanent directors thereof. These directors were accorded the privilege of wearing the Kamishimo dress, a privilege no commoner could enioy in those days without special permission. The Shogunate allowed these men the privilege, so that they might be distinguished, command respect among their fellow-merchants, and be able to control them better. Later, the groups of the Fudasashi were increased from nine to ten. In October 1753, however, the permanent directorate was discontinued and the directors changed each month as before, probably for the reason that the permanent directors had not influence enough to control the merchants under them as effectively as was expected.

THE UPS AND DOWNS OF THE FUDASASHI.—Fudasashi business was very lucrative in those days for the reason already given, and the merchants engaged in this business made big money and spent it freely, so that there were frequent ups and downs among them; and by the time of Horeki (1751–63) there were several vacancies on the list of their association. In 1778 the Shogunate revised the system, and divided the merchants in the three streets—Katamachi, Moritamachi, and Tennomachi—into six groups in each street, or eighteen groups altogether. Each groups included five merchants, and the director of the association was chosen from among the members of the different groups. Besides, each of the three streets selected two men termed Nakama Torishimari Kumiyaku, or Controller of the Association. The system of Torishimariyaku was discontinued in 1787, but the other points of the Fudasashi organization remained practically the same till the end of the Tokugawa period. The number of members was 99 in 1747, 96 in 1778, 96 in 1818, and 101 in 1851.

THE PRICE OF FUDASASHI KABU.—When the formation of the association of the Fudasashi merchants was permitted in 1724, the number was limited to 109. If anyone desired to start in Fudasashi business, he had to buy the right to a vacancy in the association, which was held at a high price. In such early days as 1750 a man could not borrow more than 20 or 30 ryo by mortgaging his rights as a member, but by 1780 he could raise 300 ryo and sell for 500 ryo. In 1787 Shirakawa Rakuwo, a Cabinet Minister in the Tokugawa Shogunate, made many plans for the development of both military and civil administration, especially the culture of the people. Among other things, he attempted to save the Hatamoto from the debts in which they were enmeshed by the merchants, and with this end in view the Shogunate, acting on his advice, caused the Fudasashi merchants to cancel their loans to the Hatamoto, the Government, on its side, lending the Fudasashi 10,000 ryo without any interest, and another 10,000 at a small interest. With the capital thus furnished by the Shogunate, the Fudasashi performed the function of monetary organ for the Hatamoto. The financial burden that each Fudasashi merchant had to bear, as a result of the said loan from the Shogunate, was about 200 ryo, and any purchaser of his trade rights had to pay this sum in addition to the price of the rights, and consequently the ultimate price was between 500 ryo and 600 ryo in 1805. By the reform of Tempo, the Tonya, Kabu, Kumiai, and such monopoly system were all discontinued, and the Fudasashi Kabu was no exception to the rule, but when they were revived once more in 1853 the price of Fudasashi Kabu went up to 1,000 ryo.

WHY THE FUDASASHI BECAME RICH, AND THE HATAMOTO SUFFERED FINANCIALLY.—We have now to see what commission the Fudasashi merchants received for handling the rice for the Hatamoto. It was 1 bu of gold per 100 bales of rice, when they took delivery of the rice at the godowns for the Hatamoto, and 2 bu of gold per 100 bales, in case they disposed of it. The total commission received for both services was 3 bu of gold; therefore, seeing that the whole quantity of rice handled was about 430,000 or 440,000 koku, the commission did not amount to a very large sum. Yet generally the Fudasashi were making handsome profits, and were very rich and lived luxuriously, so much so that their style of living was known as the Fudasashi style, and regarded as an example of a luxurious life among the merchants in later years. Why? Their regular commission derived from handling rice at the Asakusa godowns was not sufficient for such luxury. Of course, they made money by lending to the Hatamoto. When the Hatamoto entrusted the Fudasashi with the handling of their rice at the Government's godowns on their behalf, special relations were formed between them and these merchants, and their relations became even closer by the Hatamoto borrowing money from the Fudasashi. In the regulations issued in 1724, permitting the formation of a Fudasashi trade association, it is stated that the aim of the Shogunate in permitting the formation of the association was to keep watch over the relations between the Fudasashi merchants and the Hatamoto, and the rate of interest that the Fudasashi merchants could charge for a loan to the Hatamoto samurai was officially fixed. This speaks volumes of the financial relations existing between the Hatamoto and the Fudasashi. Thus, while the Fudasashi merchants became rich by lending money to the Hatamoto, the Hatamoto suffered from the high rate of interest they had to pay, and the richer the Fudasashi became the more the Hatamoto suffered from their financial difficulties, for it was a common occurrence that they had to raise new loans before they paid off their old debt completely, and so were never out of the slough.

Fudasashi Business before the Formation of the Association of the Fudasashi Merchants.—Some historians say that the evils of the Fudasashi system grew and increased only with the formation of the association, by which these merchants, with the Shogunate's permission, monopolized Fudasashi business. But even before the formation of the association, evils among the Fudasashi merchants were rife, and it was in the hope of doing away with them that the Shogunate permitted the formation of the trade association, special emphasis being laid on the rate of interest they could charge.

There can be no doubt that before the formation of the association many merchants engaged in Fudasashi business, and that complicated monetary relations had already existed between these merchants and the samurai. As there were no regulations controlling this particular line of business, there was frequent trouble between the creditor merchants and the debtor samurai, not to speak of many other evils. The courts were crowded with cases, and while the merchants engaged in the line were faced with many troubles and dangers, the Hatamoto samurai saw their debts to these merchants ever increasing. All concerned suffered. To protect their own interests the Fudasashi merchants proposed to form an association and applied for the Shogunate's permission, which was given. In proposing the formation of the association the Fudasashi expected that they could thereby limit the number engaged in the particular line of business and monopolize the trade among themselves, and that their relations with the Hatamoto could be regulated officially, removing causes of trouble and eliminating risks. With these expectations, therefore, they agreed to the rate of interest as fixed by the Shogunate, which was lower than what they had been charging on their loans to the Hatamoto. On the other hand, the Shogunate officials were much troubled by the frequent suits arising between the Hatamoto and the Fudasashi; the Hatamoto were suffering from their debts, and the Shogunate was looking around for some way to help them. After careful investigation, therefore, the petition of the Fudasashi was granted, the Government thinking it could remove the evils which seemed inherent in the business by permitting the merchants to form a trade association, and, at any rate, intended to see the result of the formation before adopting other measures, if necessary. The Shogunate thought it saw a way to control the Fudasashi merchants more effectively than before, so that they might not encroach on the position of the Hatamoto samurai. The attempt failed, because, after the formation of the association, the evils attending the Fudasashi business increased rather than decreased, and the Hatamoto suffered more and more from their financial difficulties. It is clear that the common class of people, backed by wealth, was encroaching on the position of the privileged samurai class, which the Shogunate, with all its political and military power, could not prevent.

The Rate of Interest among the Fudasashi Merchants.—The power of the Fudasashi merchants increased with the formation of the association system among them, and was exercised with increased severity upon the Hatamoto, the first factor in the pressure being the rate of interest on loans.

Before discussing this rate we might look at the rates prevailing in the market in Edo in those days. Referring to this subject, the *Morisada Manko* says :—

> In Osaka, Kyoto, and Edo loans are called original money. They are made in both gold and silver, and a loan in gold is "Original Gold," and a loan in silver "Original Silver." The monthly rate of interest at present is mostly 0·7 per cent. or 0·8 per cent., and 1 per cent. is regarded as a high rate, while 0·5 per cent. or 0·6 per cent. are low rates.
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> A borrower from an exchange-house has to pay a rate of interest which is usually 1 bu (weight) of silver against 1 kwamme of silver principal, or 15 momme for 30 days, equivalent to 1·5 per cent. per month.
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> In Edo payment is made usually in gold. Interest is also counted in gold, and the ordinary rate is 1 bu of gold against 25 ryo of gold principal per month, or 1 per cent. Previous to the Shogunate's Tempo decree dealing with the rate of interest, any rate higher than 1 per cent. was prohibited in Edo. The rate of interest is always fixed against a hypothetic unit of 25 ryo, or sometimes 30 ryo, no matter whether the actual loan is 100 or even 1,000 ryo or more, or as small as 10 ryo, 5 ryo, or less. At present 1 per cent. a month against 25 ryo is regarded as a high rate in Edo, and there are such low rates as 1 bu of gold against 30 or 40 ryo a month. A certain class of money-lenders charge an unusually high rate of interest on loans that they make, and in Edo their rate is 1 bu of gold a month against 15 ryo, 10 ryo, or even 5 ryo of principal, which means 1·666 per cent., 2·5 per cent., and 5 per cent. per month.

A 1 bu per 20 ryo rate, or 7 bu 5 rin rate, as commonly called and applied, is equivalent to 15 per cent. per annum, and 7 bu 5 rin (weight) of silver per 60 momme of silver a month is the same. One ryo of gold was equivalent to 60 momme of silver, and 20 ryo contained 80 bu.

The Raising of the rate of Interest applied for.—When the Shogunate fixed the rate of interest to be charged by the Fudasashi merchants on their loans at not more than 15 per cent. per annum, the merchants concerned accepted it humbly, but in September of the same year they applied for permission to raise the rate to 18 per cent. per annum.

No doubt the rates of interest prevailing before the time of Kyoho were very high, and when it was suddenly fixed at not more than 15 per cent. per annum, the merchants could not put up with it for long, and finally applied to the Shogunate to raise it to 1·5 per cent. per month, or 18 per cent. per annum. Their letter of application made two chief points: one was that if the 1·5 per cent. annum rate was to continue in force, the Fudasashi merchants could not get the necessary capital supplied by those who were furnishing them with funds for their business; the second depended on the first. If the merchants could borrow no money, they could not lend any to the Hatamoto. The letter was sent to the office of the Governor of Edo, and discussed at meetings of the Cabinet. The official opinion was that if the fixed rate were altered so soon, the Shogunate might lose face, and it was decided that it should remain unchanged, but that a rate somewhat higher should be permissible if both parties concerned agreed on it. The application was rejected, but the above decision was notified to the applicants. In other words, the Shogunate tacitly permitted the merchants to charge a rate exceeding 15 per cent. per annum on loans that they might make.

How did the Fudasashi make Profit out of their Loans?—When a Fudasashi merchant was approached by a Hatamoto for a loan, if he had not enough money himself he would go to the house that financed him and borrow money on the samurai's bond, which he endorsed. For this endorsement, or Oku-in kin, he drew a commission on the transaction. Of course, in some cases a Fudasashi merchant, when approached by a samurai for a loan, really had not money to meet the latter's requirements, and truly asked someone else to lend the necessary sum with his guarantee, but usually, even though he was not short of cash, he pretended to be so, borrowed from an imaginary capitalist, and pocketed the commission as well as the interest. If the samurai was unable to pay back the loan on the due date, the creditor merchant would request him to renew the loan, saying that he was pressed by the man who supplied the funds to pay back the money. In this case the merchant would charge the debtor a certain amount for the renewal of the bond, and sometimes double the regular interest was charged for the month for which the bond was renewed. The evils attending the Oku-in kin were so serious that the Hatamoto suffered most from this charge, and interest on loans ran up to more than 25 or 30 per cent. per annum. In 1728, six years after the formation of the association, the evil practices of the Fudasashi merchants became so serious that Lord Ooka, a well-known judge in those days, clapped some in prison, though they were released under the guarantee of the head-man of their street.

THE EVILS OF THE FUDASASHI.—Fourteen years later, in 1742, Lord Ishikawa, of Tosa, called all the Fudasashi merchants to the office of which he was head, and warned them against their evil practices in the following rescript, of which an extract is given.

First, when other merchants in general were permitted to take part in bidding for Okura-mai rice, the Fudasashi merchants obstructed and warned them off. Second, when Kiri-mai and Fuji-mai rice was to be disposed of at the Asakusa godowns, the Fudasashi merchants attempted to purchase it at a price as low as possible, while when they sold to the Shogunate rice that they had bought from the Shogunate's provincial representatives, they stood out for as high a price as possible. Third, when any of them was approached by a Hatamoto samurai for a loan, he often said he had no cash on hand, and proposed to make the loan in rice, instead of cash, and in delivering the cereal, estimated it at a very high price. The fourth point dealt with the evils of the Oku-in kin and other charges. It may be stated that the Fudasashi merchants not only handled such rice payments as Kiri-mai, Fuji-mai, etc., on behalf of the Hatamoto samurai at the Asakusa godowns, but also engaged in selling rice to the Shogunate, as other suppliers of rice were doing.

THE RATE OF INTEREST AGAIN REVISED.—About 1742 the rate of interest was revised again, it appears, and raised to 20 per cent. per annum, but in 1747 the groups among the Fudasashi merchants were reorganized, when the rate was again lowered to 15 per cent. per annum. But as the Fudasashi persistently applied for permission to raise the rate, it was announced that they could charge 18 per cent. per annum in 1749. This was the third revision of the official rate of interest for the Fudasashi merchants, and prevailed till 1789.

THE CAUSE OF THE STRUGGLE BETWEEN THE HATAMOTO AND THE MERCHANTS.—In view of the fact that the Fudasashi ruined the Hatamoto samurai by high rates of interest, by the so-called Oku-in kin charge, and in similar other ways, some people have nothing but evil to say of them. But for the situation created between the Hatamoto samurai and the Fudasashi merchants, the latter alone are not to blame. Among the latter some were descendants of samurai stock, it is true, but the majority of them were sprung from commoners, who for hundreds of years had been oppressed, despised, and insulted by the samurai class, and had patiently endured such treatment. Now with the power of wealth, which the samurai class had not wielded, they waged war against the samurai for the honour of their forefathers, who had suffered under samurai oppression. The loan relations between the Hatamoto and the Fudasashi were, so to speak, a war between them, and, as in any other war, both parties intrigued and conspired against the other. The Hatamoto samurai suffered at the hands of the Fudasashi, who controlled the power of wealth, because of the treatment their forefathers had meted out to the common class in their days, just as we are all said to suffer for the sin of Adam.

How did the Fudasashi Suffer ?—The Fudasashi encroached step by step on the rights of the Hatamoto by raising gradually the rate of interest, and the Hatamoto retaliated in many ways, for instance, by jiki-tori, or direct delivery, without having recourse to a Fudasashi, as had been the custom in the old simple days. We are told, too, that they borrowed from a Fudasashi on the security of their rice pension, gave a bond, and then took delivery of the rice directly. This is clearly an act of fraud from the standpoint of commercial doings in our own day, but in those feudal days the judicial system was not very developed, and any suit brought by a merchant against a samurai in such a case usually remained unsettled for quite a long time, and the longer it remained unsettled the more the merchant suffered. Finally the fraud became so common that the Fudasashi could put up with it no longer, and in 1766 applied in a body to the Shogunate to interfere, and three years later the Shogunate prohibited by order such an act among the Hatamoto samurai. When this avenue was closed, the Hatamoto opened up another ; when a debtor had exhausted the resources of his Fudasashi, he would suddenly enter into a contract with another, and the first man naturally could not collect his loans from the Hatamoto concerned, and suffered heavy loss. Naturally, the Fudasashi became very cautious about entering into a contract with any new samurai customer, and he did not decide until he had fully investigated the debts of his proposed client. Once he signed the contract and opened an account with the applicant, it was customary in later years for him to take responsibility for paying his debts, if any, to his former Fudasashi.

The Hatamoto had to pay for their Tricks.—Evil begets evil. The Hatamoto had to pay for their tricks, because the Fudasashi merchants revenged themselves by raising their rate of interest, playing off the Oku-in kin and other games against the Hatamoto, and their practices of the kind became so serious that the Shogunate made an inquiry lasting three months, from September till December, in 1777, and the proprietors, advisers, managers of many of the Fudasashi houses were found guilty of charging their clients a rate of interest higher than the official rate. It was also proved that when they made a loan to their client in rice they estimated the rice at an unusually high price, that when a bond was renewed they charged clients double interest for the month of renewal, that they charged clients the Oki-in kin commission, etc., and they were all punished for what they had done. Some Fudasashi did not attend the court on the plea of illness, and secretly travelled into the country, but were unearthed and had to pay a big fine. So much oppressed by the Shogunate the Fudasashi merchants took fright, and some of them discontinued their business, the number decreasing from 109 to 97. In 1778 Lord Makino Moriyoshi and Lord Magaribuchi Kageyoshi, the then two Governors, called a meeting of all the Fudasashi merchants and, on behalf of the Shogunate, issued the following orders to them :—

> 1. The Fudasashi merchants doing business in each of the three streets should be divided into six groups, each group consisting of five men, making a total of thirty Fudasashi merchants in each street. Directors shall be chosen from among them to take charge of the affairs of their respective office, and the remaining six shall be named the superintendents of the association, whose duty it is, if any member of the association be found guilty of an offence against the regulations, to make due investigations into the matter.
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> 2. The rate of interest to be charged on a loan should not exceed 9 bu of silver against 1 ryo of gold a month. The Fudasashi merchants are free to borrow money from others for their own use, but it is not necessary for them to borrow money from others in order to lend the same money to the samurai. If any Fudasashi merchant has not money sufficient to lend to his samurai client or to cover the latter's requirements, he should borrow from some of his fellow-Fudasashi, but not from any other merchants.
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> 3. The Fudasashi merchant should not leave his business to the care of his manager and other employees, but he should himself visit his samurai clients and attend personally to his business. Should any of his clients commit an unlawful act or offend against the regulations, the matter should be reported to the Government office immediately. All doings of the Fudasashi merchants should be in accordance with the written rules made among them when they formed the association.

THE LUXURY OF THE FUDASASHI.—Thus, on one side, the Shogunate attempted to restrict by force of law and regulations the Fudasashi merchants, and, on the other, the Hatamoto samurai tried to struggle free from their grip by fraud, tricks, and deception, but both failed. The power of the Fudasashi quickly increased, and they lived a very luxurious life, and were regarded as the aristocrats of commerce in those days. In 1853 Eishi published a book on the Fudasashi merchants, in which he deals with the luxurious life they were leading, only to be compared with that of a big Daimyo in those days. Let Eishi speak for himself :—

> When I was a boy my grandmother used to tell me about the customs among the Fudasashi merchants at Kuramai since the old days. From the era of Anyei till that of Temmei, or thereabouts, these old customs had prevailed, and each one of them led a very luxurious life. For instance, when a boy is born to a Fudasashi family the baby is put in charge of a wet-nurse and a nurse-boy, and when a boy he goes to a tutor for education. In a word, the boy is generally brought up in a way that even a son of a samurai could not aspire to. Among the sons of the Fudasashi merchants there are some who are fond of literature, and some who like curios or such amusement as the tea ceremony, etc., and spend money extravagantly for these purposes. Others go in for Buddhist learning, and are under the thumb of Buddhist priests and spend large sums on Buddhist works. Some Fudasashi merchants do not care for any of these things, but patronize sumo wrestlers, as many Daimyo did in those days. They have wrestlers in their own employment, who live in their houses on allowances given by these merchants. When they go to the theatre they always occupy the best seats there, and during the interval invite their favourite actors to the restaurant attached to the theatre, which was regarded as an honour among the actors, for actors of ordinary grade were not so privileged. From these facts it can be easily imagined how luxurious their style of living was ; in fact, no one else lived like they did. So many foolish flingers away of money were there in those old days, which lasted to the times of Kwansei and Kyowa, that not a few were ruined. Their stories would sound incredible to the Fudasashi of to-day, but, of course, these people were without education and had no lofty ideals in life, and concluded that if they did get pleasure with all their riches, they would feel sorry for it, and so they spent their money in satisfying their low tastes. Their style of living was, indeed, like that of the Daimyo, and brought about many failures. This book is written for those who will read it and learn to be careful in their style of living. If anyone leads a life such as those described in this book, he will lose his whole fortune in two or three years. The book is to be read only by those who will take it as a warning against any tendency to a luxurious life.

Eishi was himself a Fudasashi, and the son and grandson of a Fudasashi, and knew what he was writing about. According to his story, there was a Fudasashi called Oguchi Heijiro at Tenno-cho in Edo, who, at the zenith of his fortunes, struck his own private gold coin called Heijiro Koban, with his signature on it, quite different from the Shogunate's gold coins, and yet circulating throughout the city of Edo. He had a villa near the Hogenji Temple at Hashiba, Asakusa, where was the most beautiful garden of the time in Edo, but as he built a red-lacquered bridge in his garden, he was punished for it, and all his property and estate confiscated by the Shogunate. Gold and silver mints were built on the ground, but the place was popularly called Heijiro's Estate. When he wrote his book in 1853, Eishi was seventy years old, therefore Oguchi Heijiro, the hero of the story, must have lived about 1811–12. He also has a narrative of Oguchi Gyowo. It is said that Gyu, the hero of the play *Harusome-gasa* (or Umbrella in Spring-rain—which rôle the seventh Danjuro used to take at the Kabuki-za Theatre)—was the Gyowo of Eishi. However, his true name was Oguchiya Sakubei, Gyowo being his pen-name, and he was one of the most extravagant Fudasashi in the time of Meiwa, with a splendid mansion at Kayaba-cho. According to Eishi, he killed a man, which a commoner could not do without being duly punished for it, even in those feudal days. This is the story :—

> Gyowo visited the Yoshiwara licensed quarter every night, and peacocked about in a black habutaye coat, bearing a white crest of a figure of Daikoku in the Kaga-mon style, a red obi of Hakata cloth, an inro or medicine case, a sword in a crocodile-skin sheath, and a pair of geta of kiri (paulownia wood). He was no gaping countryman, but a noted Fudasashi at Kuramai, so nobody was astonished at his dress, and he was well known to almost every girl in the quarter. One day in the rain, Gyowo, coatless under a paper umbrella and singing a popular song, was strolling along the street, when the rain stopped, the clouds disappeared, and the moon peeped out. Suddenly he heard a cuckoo, and as he stopped and looked around he saw a beggar priest, clothed in ragged hempen clothes and wet through, beating a small bell. Gyowo asked him if he wished for anything, and the priest replied that he would like to eat a few manju before he died. Off went Gyowo, bought the cakes, and came back and offered them to the priest, who ate twenty or thirty straight off. Then, replying to Gyowo's interrogation, he announced that as he had as many manju cakes as he wished for, and as he was no more use in this world, he would not mind dying. " Very well," said Gyowo, " I will put an end to you " ; and instantly drawing his sword, cut off the priest's head. Ever after, this sword of his was called Nureginu, and was given to my grandfather Minri, who was one of Gyowo's men in those days. When I was a boy I saw the sword when it was taken out for airing once a year. It was one of the treasures of my house, but later it was lost, though how or when I do not know.

THE FUDASASHI, THE ARISTOCRATIC CLASS OF PEOPLE IN EDO.—The fact that a merchant belonging to the commonest class of people, whom the samurai class always looked down on and slew with impunity, scrupled not to kill a man speaks volumes for Gyowo's opinion of himself. He considered himself one of the specially privileged class who feared neither the Shogunate, aristocrat, not samurai. We have already commented on the foolish luxury of these Fudasashi. They would pay almost any price for early vegetables, such as half a ryo for twenty pods of beans, and for women, curious jewels and what not, they lavished gold. Almost every Fudasashi merchant kept a concubine or two, and some even eight or nine, out of sheer ostentation, just as the samurai boasted of a fine house or a blood horse.

While the Fudasashi put the financial screw upon the Hatamoto samurai in Edo, the Kuramoto and Kakeya merchants in Osaka had a similar hold over the Daimyo, who had many interests in Osaka. In consequence, both Hatamoto and Daimyo had to dispose of many of the curios and other treasures left them by their forefathers, and most of them fell into the hands of the Fudasashi, Kuramoto, or other merchants. They were not, however, satisfied with the simple possession of these treasures, but, living themselves in an aristocratic style, had many things made according to their taste, which survive to our times under the name of Fudasashi mono, and are entirely different in taste, etc., from those which belonged to the Daimyo or other samurai, while having their own value among the modern curio dealers. This luxurious life led them to dissipation, then to folly, and finally to extinction. In the fifty-four years between 1723, when the organization of Fudasashi business was formed and the exclusive trade rights of its members recognized by the Tokugawa Shogunate, and 1777, all but seven of the original members went out of business, and their rights were taken over by new members.

OFFICIAL OPPRESSION OF THE FUDASASHI MERCHANTS DURING THE ERA OF KWANSEI.—When the Fudasashi merchants were at the zenith of their prosperity the Shogunate, under the leadership of Tanuma Okitsugu, was charged with corruption, certainly not the growth of a day, nor solely due to Tanuma Okitsugu, though he was largely responsible for the state of affairs in his time. He was so anxious to do something for the Shogunate, and primarily to increase the revenue, that he scarcely stopped at anything to gain his end. Many of the men he had in the Cabinet were capable, but unscrupulous and ready to take chances. They very soon fell to bribes from merchants and became corrupt, and through these corrupt officials the merchants began to get control over the Government. And, by the way, the nickname for these purse-proud citizens was Rain Dragon. The true dragon has a sword in his tail, but the rain dragon has not. The merchant had no right to wear a sword, but the samurai had ; hence the nickname. Such a state of affairs could not escape the attention of Matsudaira Sadanobu, who was eager to make reforms in political and social conditions, and consolidate the position of the Tokugawa Shogunate, which was already shaken. He first tackled the relations between the Hatamoto samurai and the Fudasashi merchants when he was appointed the Prime Minister of the Tokugawa Shogunate ; and in 1789 he cancelled by proclamation all the outstanding debts of the former to the latter. The same year he summoned all the Fudasashi to the office of the Mayor of North Edo, where Lord Hashikano Nobuoki of Kawachi, on his behalf, handed them a decree of eleven clauses, wherein it was regulated that of the outstanding debts of the Hatamoto samurai to the Fudasashi merchants, some should be cancelled at once and others paid in annual instalments, extending for several years, a measure unjust, outrageous, and almost criminal, like the Tokusei measures adopted by the Government in the Ashikaga period. Sadanobu, who was a man of lofty character as well as learning, made no bones about it, and, on the contrary, in his message he reproached the merchants with the extravagant profits that they made at the expense of the Hatamoto's samurai, also with their dissipated habits, etc., and declared that for all these doings they should have been punished more severely, but, out of his mercy, he did not inflict actual punishments upon them. In fact, so far from expressing regret, he indirectly suggested that he ought to be thanked for lenience.

OFFICIAL ORDER ON A REVISION OF THE REGULATIONS REGARDING LOANS FROM THE FUDASASHI MERCHANTS.

A. Addressed to the Lord of Etchu.

To save the Hatamoto samurai out of their financial difficulties, the Shogunate has announced the revision of the regulations on the loans that these Hatamoto samurai make from the Fudasashi merchants.

1. The rate of interest that the Fudasashi merchant shall charge on a loan or loans to the Hatamoto samurai in the future has been reduced to 6 bu of silver against 1 ryo a month or 12 per cent. per annum, and the Hatamoto samurai themselves will negotiate loans with the Fudasashi merchants, as they have been doing hitherto.

2. The rate of interest to be paid in rice on a rice loan made to the Fujikata samurai by the Fudasashi merchant shall be 5 go per 1 to 5 sho in the first month, and 2 go in the second and successive months, and the period and other terms of the loan shall be negotiated directly between both parties concerned, as has been the case hitherto.

3. The terms of a money loan that the Fujikata samurai, or the samurai receiving Fuji, or rations, may make from the Fudasashi merchants shall be the same as those between the Fudasashi and the Kirimai tori or samurai receiving Kiri-mai allowance.

4. The Fudasashi commission and the special commission, the latter being 2 bu per 100 bales of rice handled, due to the Fudasashi merchants on the rice disposed of on behalf of the Hatamoto on the spot, on the occasion when the Kiri-mai allowance is paid to the Hatamoto samurai at the Asakusa godowns, shall remain the same as before.

5. Loans originally made up to six years and still outstanding shall all be completely cancelled without regard to the date of any of them. Loans that have been made by a father and to which his son succeeded five years ago, and have been renewed since then, and those that were made years ago, and have been renewed since then, shall all be cancelled, provided the loans were made originally more than six years ago. The loans that were made from the 5th year of Tenmei till this summer shall be paid off in the future

at the rate of 3 ryo per 100 bales of annual rice allowance, with interest at the rate of 1 bu of gold per 50 ryo a year. The loans of those whose annual allowance is less than 100 bales of rice shall be paid off in the same proportion. The redemption of rice loans shall be made in the same manner, or they shall be paid off in annual instalments.

6. Loans that have been contracted since May of this year shall be paid off with the Kiri-mai allowance due to the Hatamoto this winter, the payment to include interest at the rate of 6 bu of silver per 1 ryo a month. If, however, the amount is too big to be paid off completely with the said Kiri-mai allowance, the balance can be renewed, and what balance is to be left and in what way it is to be paid off, etc., shall be negotiated directly between the parties concerned. Loans that have been made to a large amount both for regular and special reasons since May this year, or loans, both old and new, that were supplied by someone else with the endorsement of Fudasashi merchants, shall all be settled in the same manner as loans contracted in the past five years.

7. The rice loans of the Fujikata samurai that are outstanding with the Fudasashi merchants shall be converted into loans in money at the rate of 36 ryo per 100 bales of rice, which was the official price of rice for the summer this year, and shall be redeemed in the same manner as loans that have been entered into in the last five years.

8. No entertainment expense shall be paid by the Hatamoto in the future, as in the past, to the Fudasashi merchants, who, on their behalf, receive Kiri-mai allowance at the Asakusa godowns.

The Fudasashi merchants should strictly observe these foregoing rules, and take due precautions that the debts of the Hatamoto samurai may not increase in the future. The Fudasashi should specially bear it in mind that, in view of the cancellation of their old loans to the Hatamoto and the lowered rate of interest as regulated above, they should be careful in their style of living, particularly economizing on their living expense, etc. Should anyone infringe any article of the decree, he shall be strictly punished. The proclamation is made so that no trouble shall arise in the future as to the ways in which the old loans of the Hatamoto are to be cancelled or redeemed, which are distinctly set forth in the foregoing.

The points set forth above should be known to the Hatamoto samurai who receive salaries and allowances from the Shogunate of less than 10,000 koku a year.

September.

THE LOSS OF THE FUDASASHI, SIXTY MILLION YEN.—As a result of this decree, the Fudasashi merchants had to abandon all their loans to the Hatamoto contracted for earlier than 1784, and the loans thus cancelled amounted to 1,187.808 ryo 3 bu gold and 6.54 bu silver in total. The price of rice then was between 52 momme to 70 momme silver per koku, and if reckoning 60 momme silver per 1 ryo gold, the sum was equivalent to 1,980,000 koku of rice, which at 30 yen a koku amounts to nearly 59,400,000 yen of our currency. Such a heavy loss the leaders of the Tokugawa Shogunate in those days did not mind inflicting upon the Fudasashi merchants; but, of course, their aim was not only to lift the Hatamoto out of the slough of debt, but to check the growing influence of the commoners, who, with their power of wealth, had begun encroaching on the sphere of the military class, who enjoyed so many peculiar rights and privileges over the commoners in those days.

STRUGGLE BETWEEN THE HATAMOTO AND THE FUDASASHI.—The cause of the financial destitution of the samurai class in those days was entirely attributed by the leaders of the Shogunate to the evil practices of the Fudasashi merchants—that is to say, the Shogunate shifted its faults to the shoulders of the merchants, and in the famous proclamation encroached on the once recognized rights and interests of these Fudasashi. At the same time the Fudasashi established the Fudasashi Kwaisho, or Fudasashi Chamber of Commerce, at Saruya-cho, Asakusa, with capital partly contributed by the Shogunate and partly by the Fudasashi merchants themselves, with the object of furnishing funds to the Fudasashi who wanted them. Among all the measures taken by the Shogunate, this chamber alone seems to have been adopted with the idea of protecting the Fudasashi, but the amount of money to be invested by the Shogunate, and the methods of lending, etc., were so vaguely defined that the merchants themselves could not rely upon it. In these circumstances, therefore, Itakura-ya Sobei and twenty-six other merchants jointly boycotted, so to speak, the new order of the Shogunate, and announced the discontinuation of their business, declaring that they could not continue under the new regulations. To meet this, the Shogunate, on the 28th of the same month, contributed a further 20,000 ryo towards the capital of the Chamber of Commerce, of which 10,000 ryo was to be advanced to the Fudasashi in the form of loans, irredeemable for the first ten years, and then redeemable in instalments in the following twenty years. The other 10,000 ryo, together with the capital first contributed by the Shogunate and that invested by the Government purveyors and other merchants, were to be loaned to the Fudasashi merchants, when applied for, the chamber first to investigate the circumstances. The funds contributed by the Shogunate, and that invested by the Fudasashi merchants and left in charge of the chamber, were lent to the Hatamoto through the medium of the Fudasashi at the rate of 12 per cent. per annum, of which 1 per cent. was to cover the business expenses of the chamber and 3 per cent. disbursed as a commission to the Fudasashi merchants, through whom the loan was made. In case of a loan made out of the money contributed by the Shogunate, 5 per cent. was paid each year to the chamber for the redemption of the principal for twenty years, commencing with the eleventh year after the loan was originally made, and the last 3 per cent. was kept as reserve by the chamber for loaning purposes.

" The said 3 per cent., too," said the Shogunate in its decree, " will remain in charge of the chamber for five years, so that it may be used to furnish the Fudasashi merchants with funds. In case of a loan made out of the capital invested by the Fudasashi merchants, after 1 per cent. is taken for the business expenses of the chamber and 3 per cent. paid as the commission of the Fudasashi, the remaining 8 per cent. will accrue to the original investors, which, therefore, the original investors should appreciate," etc. The Fudasashi merchants were still dissatisfied, but did not protest further, because they were afraid that if they did the Shogunate might persecute them in some other way. They remained silent, therefore, but out of revenge became so strict in making loans to the Hatamoto that they were almost impossible to obtain, and in the final event the Hatamoto suffered rather than the Fudasashi under the new system. In their turn they began to complain against reforms which, instead of saving, brought still more suffering upon them. The Shogunate was not inclined to modify, nor would the Fudasashi give way. Yet the Hatamoto had to borrow money somehow, and some employed ronin samurai or commoners to negotiate with the Fudasashi, who were even threatened with violence at times. Such men were called the Kurayado-shi, and their business became a kind of regular occupation, which, as time went on, was practised even by retired Hatamoto and young sons of a Hatamoto family, who, though not directly responsible for the family, were supposed to be in a respectable social position. On their part the Fudasashi employed brawny negotiators to receive the representatives of the Hatamoto samurai coming on loan negotiations. Both parties were prepared to adopt violence if the circumstances required ; and rough and tumble fights often took place at the offices of the Fudasashi in Asakusa, and the situation there was always uneasy. Such conditions lasted for six years, until the Fudasashi could stand it no more, and in 1795 they sent in a petition to the Shogunate begging it to adopt some means to alleviate the dangerous situation. The Shogunate promptly arrested a number of Kurayado-shi, and either exiled them from Edo or punished them in other ways. Among the prisoners there were some Hatamoto of respectable social standing. Two of the men employed by the Fudasashi were also punished, the charge against one being that while he was negotiating with a Hatamoto customer he was smoking, which was a breach of respect towards the Hatamoto. This spasm of energy on the part of the Government did not clear all the Kurayado-shi out of Asakusa, and they continued working on behalf of the Hatamoto in one way or another, and were still a cause of trouble to the Fudasashi merchants. In 1817 the Shogunate made further arrests, and again, in 1825, warned the Hatamoto against employing Kurayado-shi any more, showing how difficult it was to exorcise them. Thus Sadanobu's policy failed; his reform only increased the financial difficulties of those whom he wished to help, and about the time of Bunkwa there was scarcely a single Hatamoto in Edo who did not owe money to the Fudasashi.

THE REFORM IN TEMPO.—Fifty-three years later, in 1842, Mizuno Tadakuni was named the Prime Minister of the Tokugawa Shogunate, and tried to carry out the policy of Matsudaira Sadanobu by abolishing such monopolizing systems as the tonya, kabu, nakama; and so fast did he proceed that the Fudasashi merchants became rather anxious as to their own position under the administration of this reformer-statesman. In order to please him, and to conform with his policy as far as possible, and preserve their business from his interference, therefore, they intimated to the Shogunate that they would fall in with Mizuno's policy of reform, and proposed to lower their rate of interest from 12 per cent. per annum, as officially fixed in the decree of Kwansei, to 10 per cent. per annum. The Shogunate accepted at once, but before he had completed his programme of reform Mizuno Tadakuni fell from power, and was succeeded by Doi Oinokami, who, in 1843, issued a decree regulating that all the debts, new and old, of the Hatamoto samurai could be paid back by instalments in twenty years, without any interest. The decree in question says:—

> The method of redeeming the Hatamoto samurai's loans to the Fudasashi merchants has been revised, and it is regulated that their loans, without regard to whether they were new or old, may be redeemed in annual instalments, without paying any interest on the same, commencing with those loans which may be renewed at the time of Kiri-mai payments this winter.
>
> The amount of each instalment on redemption shall be 5 ryo per 100 bales of rice a year for any loan of more than 100 bales of rice in case of rice loans, and 5 per cent. of the principal a year in case of money loans less than 100 ryo. In case annual instalments are already started, the loan will be paid off at the rate of 1 ryo and 2 bu per 100 bales at each of the three seasons for the payment of rice allowances.
>
> Rice loans shall be converted into money loans in October this year at 36 ryo per 100 bales of rice, the official price for the Kiri-mai payment this winter.
>
> The capital supplied by the Shogunate to the Fudasashi Chamber of Commerce at Saruya-cho shall be redeemed in annual instalments, without any interest, as regulated in the previous decree in this connection. The Shogunate will continue supplying funds to the Chamber in the future, as before.
>
> As it is learned that any loan by the Fudasashi Chamber of Commerce at a low rate is objected to by some merchants, such a practice will be discontinued in the future. Loans that have already been made by the Chamber

will be combined with the loans by the Fudasashi merchants, and will be redeemed at the rate of 5 ryo per 100 bales in annual instalments, without any interest.

The attention of the Fudasashi merchants is specially called to the fact that they must observe the above regulations and never infringe any of them.

December.

This decree does not differ much from that of Matsudaira Sadanobu in Kwansei, and by it the Fudasashi, who had once been skinned by Sadanobu, had to suffer a second time under Doi. No doubt they were much taken aback. According to the regulations they could collect no interest on loans made up to the winter of that year, and the principal was payable in annual instalments over twenty years, the instalment being so small that it did not even cover the interest on the principal, if reckoned at the previous rate. To make up for this, the Shogunate agreed to lend out of its treasury to the Fudasashi Chamber of Commerce without any interest on terms stated in an official announcement issued to the Governor of Edo, which runs as follows :—

The Shogunate consents to the Fudasashi merchants repaying the money lent to them by the Shogunate in annual instalments, without any interest. In addition, the Shogunate will also supply new funds at the rate of 5 per cent. per annum interest, as laid down by the Kwansei Regulations. Therefore, the Fudasashi merchants should lend money to the Hatamoto as before, and if either party act in any unlawful manner, they will be punished for it.

December 21st, the 14th year of Tempo.

RESISTANCE OF THE FUDASASHI.—After the issue of this decree the Fudasashi houses, one after another, to the number of about half, closed their offices, saying that they could not continue under such regulations. The officials of the Shogunate were surprised at this sudden action, and caused Kawamura Denyemon and eight other merchants doing business with the Accountant Department of the Shogunate, and Semba Tarobei and four other groups also doing business with the Shogunate, to start Fudasashi business themselves to meet requirements for the time being. At the same time, they issued an order to the leading Fudasashi that they should supply their poorer fellow-Fudasashi with capital to carry on their business. On the other hand, the Government summoned all the Fudasashi and intimated that it would lend the Chamber of Commerce 20,000 ryo at 5 per cent. per annum, payable in three instalments a year, beginning with the next spring, the principal to be redeemed in the sixth year after it was lent, and instructed the Fudasashi merchants who had closed down their business to start again to give financial facilities to their Hatamoto customers. Out of forty-nine merchants who had closed down, thirty-eight reopened. Kawamura Denyemon and thirteen others who started Fudasashi business at the suggestion of the Shogunate now joined the Fudasashi association, and, according to the customs prevailing among the Fudasashi, they had to lend 10,000 ryo to the Fudasashi Chamber of Commerce, to be used by the Chamber ; besides, they were hampered a great deal owing to ignorance of the customs and conditions among the Fudasashi. Out of the fourteen merchants, ten applied for permission to quit, which the Shogunate gave.

THE REVIVAL OF THE FUDASASHI IN KAYEI (1848–54).—Soon after he became Minister, Hotta Masahiro wished to remove the unjust restrictions laid upon the merchants by the Tempo reforms. He aimed at the restoration of all the tonya systems, the kabu systems, and after six years' investigations, in March 1851 he revived all the former commercial systems. The Fudasashi business was no exception, and the Fudasashi merchants were permitted again to adopt kabu and nakama as before, and in October of the same year the merchants presented to the Shogunate office a list of 101 names, namely, 32 merchants in Tenno-cho Street, 35 in Kata-machi Street, and 34 in Morita Street. In the following month they adopted their own rules, agreeing thereby that the rate of interest on a money loan should be 5 bu of silver against 1 ryo of gold a month, and on a rice loan 5 go per ration for one person or 1 to 5 sho in the first month, and 2 go in the second month, and so on, as fixed in the 12th year of Tempo (1841). In its announcement issued at the time when the kabu-nakama system was revived, the Shogunate declared that everything would be restored in the same form as prevailed before the 12th year of Tempo, and it appears that the rate of interest alone was the same as fixed by the Tempo reform.

THE END OF THE FUDASASHI MERCHANTS.—Even though the Fudasashi business was revived in 1852, in its old system and form, it did not prosper as before, and the price of Fudasashi kabu was not so high as it had been, falling from 1,000 ryo to 200 or 300. The truth is that the decree of the 4th year of Kayei did not revive the kabu as known in the eras of Bunkwa and Bunsei, when the tonyas were strong and lucrative monopolies, so it was no wonder that the value of the kabu fell. In the 4th year of Keiwo, 1868, the Tokugawa Shogunate returned the ruling power of the country to the Imperial Court, and became a mere feudal lord ; the troops of the Imperial Government entered Edo in the place of the army of the Shogunate, and the Hatamoto samurai, who formed the principal strength of the Shogunate's army, scattered in all directions. As a natural sequence, Fudasashi business ceased to exist any more, and all the loans that the Fudasashi merchants had made to the Hatamoto samurai were hopelessly bad debts because of the changed conditions. Not only did the Hatamoto never think of paying back their debts, but some of them attempted to borrow more by threats, or broke into the houses of their Fudasashi and took money away by force. In the conflagration of Edo on the 12th of December, the 1st year of Meiji (1868), the street of Kuramai was destroyed, when most of the Fudasashi merchants shut their doors for good.

CHAPTER LXVI

THE KURAMOTO, FINANCIERS OF THE DAIMYO

The Daimyo and the Kuramoto.—What the Fudasashi merchants were doing for the Hatamoto samurai in Edo, the Kuramoto merchants were doing for the Daimyo in Osaka. In Edo, the Shogunate had its own rice godowns, to which the Fudasashi merchants were attached, and so were the Kuramoto merchants attached to the godowns, where the different clan Daimyo kept their rice. The Kuramoto merchants financed the Daimyo, as the Fudasashi financed the Hatamoto, and each resembled the other in functions, influence, and position in the economic system of Japan in those days. Toyotomi Hideyoshi had made Osaka a prosperous business town, which outranked all others in financial power. Besides, the city was located so as to command the markets in the wealthy provinces of Shikoku, Kyushu, and Chugoku, and their products were all brought up to Osaka for distribution, which made the city the then commercial centre of Japan. The Daimyo were the big land-owners who lived mostly upon the rice raised as taxes from the people in their respective territories, which they disposed of to meet the necessary expenses of the year. This rice and other products they then sent to Osaka for disposal. At first they entrusted the merchants of Osaka with the work for them, but in later years they had their own Kurayashiki, where they had godowns to store their produce and where they lived as well as transacted their business, for on their way to Edo they used to stop at these Osaka residences. Around these places of business there grew up certain special classes of merchants who did business with the Daimyo in Osaka, as the Fudasashi did with the Hatamoto in Edo. They were called the Kuramoto and the Kakeya, the Kuramoto being in the same relation to the Daimyo as the Fudasashi to the Hatamoto. In those days Japan was divided into individual states, and each Daimyo held sovereign legislative power, and his financial and economic policies were as entirely for the advantage of his own domain as those of France, Italy, or Spain in Europe to-day. These independent states, including the Tokugawa Shogunate, the biggest of all, all looked to Osaka as the centre of their financial policies, and, of course, Osaka became the commercial centre of Japan.

The Origin of the Kurayashiki.—The origin of the Kurayashiki cannot be definitely ascertained, but according to the *History of Osaka Prefecture* in the Toyotomi period Lord Maeda of Kaga was the first to start one. In the time of Tensho (1578–91), Osaka was already a big commercial town, and rice business was being done on a large scale. The forefather of Yodoya Tatsugoro was the most renowned of all the rice-dealers in Osaka in those days, and his business was so big that his house was a sort of Rice Exchange. As a natural result, the price of rice went up, the people suffered, and Toyotomi Hideyoshi, who was the *de facto* ruler of Japan in those days, asked Maeda to forward to Osaka 100,000 koku of rice from Kaga, dispose of it in Osaka, and thus bring down the price of rice thereby. Lord Maeda did so, and held the rice within the compound of his residence in Osaka until it was disposed of. This system was followed by the other feudal lords, and developed into the Kurayashiki system in later years. In the Tokugawa period the feudal lords were forbidden to have their own residences in Osaka, and the Kurayashiki kept there by the feudal lords in the Tokugawa period were not their own officially. They each rented a piece of land from a private citizen, and built there their own godowns, which were registered in the name of the private citizen owning the land, though called after the name of their real owner—the Kaga godowns, the Satsuma godowns, etc. The owner of each paid a certain tax for it to the Shogunate, and the private citizen, in whose name the godown was registered, was called Representative. The custom prevailed in those days, that when the lords wanted to dispose of their rice or any other products, they named some merchants to do the business on their behalf. Thus when it wanted to dispose of copper produced at Nikko in Osaka, even the Tokugawa Shogunate named a merchant to act for it in Osaka.

THE ORGANIZATION OF THE KURAYASHIKI.—The organization of the Kurayashiki was in all cases nearly the same. Besides the Representative, who was a merchant, there were Kuramoto and Kakeya in charge of the receiving, delivering, and selling of rice and other products shipped to Osaka from each clan territory, collecting the money for the goods sold, and all business connected with sales. Each clan dispatched its own officer called Rusuyaku, who was stationed at the Kurayashiki in Osaka, and superintended the Kuramoto and the Kakeya. He changed every year. The organization of the Kurayashiki was so simple, because the system grew up under economic necessities, and not for any political reasons. Of the rice shipped to Osaka from the different rice-producing districts in Japan in those days, three-fourths were first taken into the Kurayashiki godowns of the different Daimyo before disposal. The rice from the Kurayashiki godowns was called Kuramono, and that from other godowns Nayamono. Both kura and naya mean warehouse or godown, and mono means things or goods, and the two different prefixes were applied simply in order to distinguish rice from one source from that from the other in the market. The Rice Exchange at Osaka dealt in Kuramono rice, and daily quotations there fluctuated in accordance with changes in the quantity and price of rice in the Kurayashiki godowns of the different clans.

The Economic Position of the Kurayashiki in Osaka.—Before Toyotomi Hideyoshi, Japan was divided into many small states, so to speak, and there was no Central Government powerful enough to rule the country. It is true that there was always a Central Government, but it was not powerful enough to enforce its laws all over the country, and in such circumstances no good means of transportation could be expected, so that there were no developed organs of transport in Japan in those days either by land or sea. The economic systems, too, were local, and there were many economic centres throughout the country. Under the centralized government of Hideyoshi and the Tokugawa the means of transportation by land and sea quickly developed. Roads were constructed or repaired, and big boats were employed for transportation by sea, and Daimyo rice poured into Osaka not only from the south-western districts alone, but also from districts on the Sea of Japan as well as the north, and was distributed to the different parts of the country. The economic system of Japan, which had been of a local nature, assumed for the first time a national character. All the feudal lords had their Kurayashiki in Osaka, and among them such big Daimyo as Satsuma, Tosa, Choshu, Okayama, Kaga, and Kii not only kept their rice there and disposed of it in the ordinary way, but entered largely into business, holding back their stock or throwing it on the market according as it suited their financial interests, and juggling freely with the price. They also made profit out of fluctuations in the exchange rates of gold and silver. All this business was managed at their headquarters in their Kurayashiki in Osaka. It may be said, therefore, that in the Tokugawa period Edo was the political heart, and Osaka the economic and financial heart, of Japan. The Kurayashiki system ceased to exist with the fall of the Shogunate, for in 1871 the Meiji Government issued an order to the Prefectural Government of Osaka that all the Kurayashiki and detached residences of the different clans in Osaka should be confiscated to the state, except those which were mortgaged to the merchants in Osaka by their Daimyo owners as security for their debts to them. It is said that all of the Kurayashiki godowns and residences belonging to the different clans were mortgaged to some merchant or other, and consequently passed into the possession of these merchants ; not one was really confiscated by the state, a fact which throws a searchlight on the financial difficulties of the clans at the end of the Tokugawa period.

The Number and Location of the Kurayashiki.—The number of the godowns maintained by the Daimyo, Hatamoto, and other samurai, and temples and shrines in Osaka, known as Kurayashiki, was 120 or 130 altogether, and among them about 30 were so big and influential in the rice market that their names were mentioned in the daily report on quotations issued at the Rice Exchange at Dojima. Naturally these godowns were located at places commanding the best means of transportation by water. In 1626 there were 111 Kurayashiki, 14 of which were rented by the Daimyo, but not supplied with clan officials as in the case of the other Kurayashiki. In addition to the Daimyo, there were not a few Court nobles in Kyoto, temples, and shrines who kept agents to look after their business in Osaka.

The Myodai.—As stated before, the Daimyo or Hatamoto were not permitted to own any residences or houses of their own in Osaka in the Tokugawa period, consequently their Kurayashiki in Osaka were not their own possession in the eyes of the Tokugawa Shogunate, but were registered in the name of some citizen, though they were called the Kurayashiki of so-and-so clan, etc. Taxes for the Kurayasahiki were paid in the name of the clan. The citizen in whose name a Daimyo's Kurayashiki was registered was called Myodai, and was the nominal owner and the representative of the Daimyo or Hatamoto who really owned the Kurayashiki. They were chosen mostly from among the wealthy Osaka merchants, and allowed a rice ration by the Daimyo, and took charge of the Kurayashiki *vis-à-vis* the Government, but did not attend to sales and such business as the Kuramoto and Kakeya did.

The Kuramoto.—The business of the Kuramoto was to work between the Daimyo or Hatamoto, their Kurayashiki and the merchants. They received and delivered rice and other products, had charge of the money collected from the merchants, and the finances of the Daimyo's households in his own territory as well as in Edo.

In a word, the principal business of the Kuramoto was to dispose of the rice and other products which were consigned to him by his Daimyo client and kept in the Daimyo's Kurayashiki in Osaka. What, then, was the result of this system ? We have to look in the house of Yadoya Tatsugoro, whose name is familiar to playgoers. A wealthy scion of the house, Yodoya Genyemon, dealt in rice, importing into Osaka rice from different rice-producing districts, and did a great deal for Toyotomi Hideyoshi. In the Tokugawa period the name of Yodoya's house became so widely known that rice was shipped to it from all parts of Japan, and every morning a rice market was held in front of the house of Yodoya at the southern corner of the Yodoya bridge. In the early days when merchants bought rice from the Daimyo's Kurayashiki, they negotiated with the Kuramoto officers directly, but from about the time of Seiho (1644–7) the Yodoya House came to handle the rice of the different Kurayashiki in Osaka exclusively, and became the first Kuramoto merchants. From the era of Kwanbun the number of these merchants increased, but the Yodoya was still the leading house, and rice merchants gathered at the Yodoya for the daily quotations on rice, which was the prototype of the Rice Exchange in Osaka in later years.

THE KAKEYA.—The Kakeya were merchants who financed the Daimyo and the Hatamoto who kept Kurayashiki in Osaka. There were many such merchants, who were mostly money-exchange houses. For instance, Konoike Zenyemon was the Kakeya for the clans of Kaga, Hiroshima, Awa, Okayama, and Yamaguchi; Yamanaka Zengoro for Lord Kuroda; Nakahara Shobei for Lord Nabeshima; and they all acted as financiers for these clans. The business of the Kakeya was to hold, on behalf of their Daimyo customers, the money collected from the merchants for rice and other products disposed of out of the Kurayashiki. Out of this money the Kakeya sent a part every month to the residence of their respective Daimyo in Edo for household expenses, and they also lent money to the Daimyo sometimes on credit, but usually on security of the rice that was shipped to Osaka in the fall every year. The business of the Kakeya was to work between the Daimyo or their Kuramoto, and the merchants, collecting accounts, keeping the books of the Kurayashiki, and remitting money to the residences of the Daimyo or Hatamoto who owned their Kurayashiki. In most cases one merchant combined in himself both Kuramoto and Kakeya, and was very well treated by his Daimyo, made a retainer, and allowed rice rations, also to wear swords and permitted to use a family name—a privilege forbidden to a commoner in those days.

THE INFLUENCE OF THE KURAMOTO AND KAKEYA INCREASED.—A few years after the rise of Kakeya and Kuramoto, the number of the merchants attached to the Kurayashiki decreased, and in time all the business connected with a Kurayashiki was being done by one or very few merchants instead of by several as in the beginning. A noticeable phenomenon in this connection was that many big Osaka merchants were in charge of the commercial and financial affairs of several clans, and these merchants used their money to get a stranglehold on their

Daimyo or Hatamoto customers, who gradually came to be controlled by these wealthy commoners. In 1747 there were 91 Kuramoto and Kakeya altogether, and among them Hirano-ya Gohei was the Kuramoto for five different clans, Konoike-ya Zenyemon for three clans, and Hirano-ya Matabei and Nakaya Hachibei each two clans. There were 58 Kakeya merchants, of whom Nagahamaya Kiyemon was the Kakeya for four clans, Konoike-ya Zenyemon for three clans, and Asaya Rinjuro for two clans. In 1777 the number of the Kuramoto merchants decreased to 79, of whom Hirano-ya Gohei was the Kuramoto for five clans, Tennoji-ya Gohei and Kome-ya Heiyemon each for three clans, and Konoike-ya Zenyemon, Nagahamaya Gohei and Chigusa-ya Sojuro each for two clans. There were 64 Kakeya, including Hirano-ya Gohei, who was the Kakeya for five clans, Tennoji-ya Gohei for three clans, and Konoike-ya Zenyemon, Kome-ya Heiyemon, Nagahamaya Genzayemon, and Chigusa-ya Sojuro each for two clans.

The Earnings of the Kuramoto and Others.—The earnings of each Kuramoto depended upon the scope of his business or the position of the clan with which he was connected. In the case of a big clan, the Kuramoto received for life rice rations for 250 persons, or about 400 koku of rice a year, and the Kakeya received rations for between 50 and 150 persons a year; and even the managers of these merchants received in some cases rice for five persons or 10 koku every year from the different clans for whom he was either Kuramoto or Kakeya, or both, and even some of the branch families of the Konoike received rice for 70 persons a year. Naturally, then, the wealthy merchants in Osaka were all anxious to become the Kuramoto or Kakeya for different Daimyo, for the rations detailed above did not represent all the emoluments. In addition to these, the Kuramoto received a certain commission on the rice or other goods which he disposed of for his Daimyo or Hatamoto, and had many chances to make profit by speculations. The Kakeya either lent money to the Daimyo or made his profit out of the use of the money he held for the lord on account of goods sold. The rate of commission on sales and that of interest on loans, etc., were all decided between the Kuramoto or Kakeya and their Daimyo customers individually, and there was no fixed rate enforced, the usual figure being 3 per cent. to 5 per cent. a year. In addition to the Kuramoto and Kakeya, there was another class of merchants called Ginkata, which means financier, who, too, were employed by the Daimyo. They had nothing to do with the Kurayashiki, but, in most cases, the Kuramoto of one clan was the Ginkata of another clan, and the Ginkata of the former clan, the Kuramoto of the latter. The principal business of the Ginkata was to get money for the Daimyo when he wanted to borrow it. When applied to by a Daimyo for a loan, the Ginkata would loan usually 500 kwamme of silver, which was called Yeino-gin, or literally "Permanently Paid Silver," and the Daimyo or Hatamoto, as the case might be, paid for the loan an amount of rice equal to 3 per cent. per annum interest. Besides, the Ginkata loaned money to the Daimyo or Hatamoto from time to time, and charged on these loans an additional interest, at the rate of 8 per cent. per annum usually. Among the loans that the Ginkata made to the Daimyo or Hatamoto some were paid back in instalments, and some carried no interest at all. How much the Ginkata were paid by their respective Daimyo employers depended upon the size of the clan, but in most cases they received a rice ration of between 900 bales and 1,000 koku of rice a year, in addition to which they were given presents from time to time either in money or in goods. Their income, therefore, was fairly big, for supposing that 1 koku of rice was priced at 20 momme of silver in those days, 1,000 koku would be worth about 20 kwamme of silver. That is to say, in return for lending 500 kwamme of silver to a Daimyo, a merchant would be named his Ginkata and receive rice worth 20 kwamme of silver a year as his allowance, in addition to the 3 per cent. annual interest that he received on his loan. The whole thing cannot be called a very big return from an outlay of 500 kwamme of silver, but the fact that, nevertheless, wealthy merchants were eager to be named the Ginkata as well as the Kuramoto of a Daimyo tells us that there must have been plenty of ways for men in those positions to feather their nests.

THE QUANTITY OF RICE SHIPPED BY THE DAIMYO TO OSAKA AND SALES OF IT.—The quantity of rice that was shipped by the Daimyo to Osaka each year for disposal differed according to the crops in their respective districts, but it was between 3,000,000 and 3,500,000 bales. Besides the Daimyo rice or kuramai, about one-fourth as much came from other sources and was called nayamai.

Kuramai rice was disposed of by tender, and the rice brokers alone were privileged to partake in the bidding, but they could not go to any Kurayashiki, for each had a certain number of fixed brokers attached to it, and only those brokers could participate in the bidding at the said Kurayashiki. There were no written regulations of the kind at first, but the custom prevailed among the brokers, and later became an unwritten law, whereby bidding on Kuramai rice was limited to a few brokers, and the Daimyo were thereby placed in a much more disadvantageous position. The successful bidder had to deposit between 2 momme and 3 momme of silver per 1 koku of rice with the Kakeya of the Kurayashiki on the following day. The whole amount was due in one week, ten days, or some other fixed period, and when payment was made the buyer paid the Kakeya a commission of between 1 and 2 momme of silver on every 10 koku of rice. In return for the money the Kakeya would issue a receipt, which the buyer presented to the Kurayashiki, receiving in exchange a delivery order for the rice from the godown.

Speculation in Kuramai Rice.—The successful bidder did not necessarily take delivery of all the rice contracted for, but in many cases he sold the delivery order to another merchant, who might sell it again; and these delivery orders became objects of transactions in the market. It often happened that they exceeded the actual quantity of rice stored in the Kurayashiki concerned. In later years even orders were issued against rice which actually did not exist at all, and were dealt in by the rice merchants, which was, of course, pure speculation.

The Evil Practices of the Daimyo towards the Osaka Merchants.—The necessary expenses of the Daimyo in the Tokugawa period was by no means small. In the first place they had to make their regular and very expensive pilgrimages to Edo. Then, as they spent much of their time in the capital, they kept their family and some of their retainers there, maintaining a town house, while at home they had to keep up a castle—a very costly double life. In addition to this, they had to contribute from time to time for construction or repairing works, engineering, and other works which the Shogunate carried out at various places according to its own estimates, apportioning the expenses among the feudal lords. These were the principal items of the Daimyo's expenses, and, of course, differed according to the position of each Daimyo and the size of his territory, but were very big considering their respective position and every other thing. As we know, the Tokugawa Shogunate did not impose any regular state taxes upon the Daimyo, which was a great relief, but in the times of peace they became accustomed to an easy life and very luxurious style of living. The result was financial difficulties and a millstone of debts owing to the merchants in Osaka, from which, when the burden became intolerable, they adopted the most questionable means to free themselves. Some Daimyo, for instance, calmly informed their creditors that the debts were cancelled, without your leave or by your leave. Alarmed at such high-handed dealings, the merchants would visit the residence to press for payment, but only rarely did they attain their objects, because the residence of each Daimyo was a fortified castle and guarded so strongly that a mere common merchant could not pass in. In view of such practices, the merchants became very cautious in accepting loan propositions from some of their Daimyo customers, and Mitsui Takafusa wrote a book in the era of Kyoho in which he advised his sons not to lend any money to the Daimyo, on account of the serious trouble it involved. According to him, Lord Hosokawa of Higo and Lord Shimazu of Satsuma were the most notorious sinners. Nevertheless, even these difficulties could not daunt the Osaka merchants, who were as brave in their commercial battles as the samurai on the battle-fields. On the battle-field when one gallant soldier is killed, another will advance over the dead body, and so it was with the brave Osaka merchants. They knew that many of their fellows had been ruined by the outrageous and malicious treatment accorded them by some Daimyo, but, nothing daunted, they desired to become the Kuramoto, Kakeya, or Ginkata of the Daimyo ; and, step by step, gained ground against them, until by the middle of the Tokugawa period most of the Daimyo were controlled in the economic chains riveted upon them by their Kuramoto, Kakeya, or Ginkata, and could by no means throw them off, though some still tried to play the old high-handed game.

THE DAIMYO DECEIVING THE KURAMOTO.—As the Daimyo fell more and more into debt with the Kuramoto, it naturally happened that the rice and produce sent to Osaka for disposal went in part liquidation of their debts. Money the Daimyo had to have somehow, and so they fell into a habit of ignoring their Kuramoto and disposing of their rice through other channels, although it may have been part of the loan contract that the rice should be handled by the Kuramoto. Of course, this was fraud, but the feudal lords committed it with the utmost composure.

THE DAIMYO'S "DISMISSAL" OF THEIR KURAYASHIKI MERCHANTS. Such evil practices are unpardonable from the standpoint of commercial morality, but the Daimyo had some excuse because, although it was understood between the Daimyo and their creditor merchants that rice or other products shipped to Osaka from the provinces would be disposed of through the hands of their respective Kuramoto, and the money thus acquired go in part settlement of their debts, yet the goods themselves were their own possessions, and apparently they could dispose of them in whatever way they liked. But the Daimyo, staggering under the pressure of their financial difficulties, resorted to an even more outrageous measure. Though they were the creditors of the different Daimyo or Hatamoto, these Kuramoto and other merchants doing business with the Daimyo's Kurayashiki in Osaka were employed by, or made retainers of, the respective Daimyo or Hatamoto, and received rice allowances from their debtors. Availing themselves of these circumstances, in which their creditors were placed, some Daimyo or Hatamoto, under the extreme pressure of heavy debts, suddenly announced the " dismissal " of Kuramoto, Kakeya, or Ginkata, who were their creditors, and employed some other merchants in their place. Astounded by such abrupt dismissal the unfortunate merchants would attempt to call in their loans, but in most cases to no purpose, as the Daimyo shuffled out of payment in some way or other, nor had the defrauded creditors any way of appealing to the Shogunate to adjust the matter. Even more noted exchange merchants were ruined by this practice than by former malversations of the Daimyo, and a serious situation seemed likely to grow up therefrom. In December 1835 Yabe Teiken, one of the brightest officials of the Shogunate in the latter part of the Tokugawa period, in an official message addressed to the exchange merchants in Osaka, warned them against fraudulent acts on the part of the Daimyo or Hatamoto, telling them not to accept the position of the " dismissed " Kuramoto, Kakeya, or Ginkata, unless they were fully convinced that their acceptance of such an offer was justifiable ; in other words, instructing them to consider their mutual protection against unscrupulous Daimyo.

If the Daimyo's selling of their rice or other products through some other channel than their Kurayashiki is an act of fraud, their dismissal of their Kuramoto and others who were their creditors is almost open robbery.

THE MERCHANTS STILL CONTINUED LENDING MONEY TO THE DAIMYO.—In spite of these outrageous, even nefarious, schemes of the Daimyo or Hatamoto creditors, the Osaka merchant still continued lending money to them. Many of them were ruined, but their places were soon taken by some other merchants, for the simple reason that the business was too temptingly lucrative. Not only did the merchants charge a high rate of interest on their loans, but they also got a pretty good commission on their sales of rice, etc., from the Daimyo's Kurayashiki. But still bigger profits were made by speculation in rice, which they achieved by issuing delivery orders for more than the amount of the rice held in stock in each Kurayashiki godown. These delivery orders have been already referred to and were issued by the Kuramoto and Kakeya attached to the Kurayashiki, not necessarily acting on their own idea, but in combination with the Daimyo's officers. These samurai officers who, on behalf of their respective feudal lords, were in control of the Kurayashiki in Osaka, therefore, were also responsible for the speculation which so extensively prevailed in those days. Decree after decree was issued by the Tokugawa Shogunate, prohibiting such practices among the merchants connected with the Kurayashiki, but in vain. How old they were can be seen from the fact that as long ago as 1655 the Shogunate issued a decree warning the Kuramoto officers against their speculative practices.

About the beginning of the era of Bunkwa, speculation was at its height, and rice orders were issued at the Kurayashiki of the different clans so recklessly that the merchants hesitated to accept them. It was said that except for those issued at the six big clans—as Higo, Chikuzen, Chugoku, Hiroshima, Hizen, and Kaga—there were no reliable rice delivery orders. Kurayashiki that issued delivery orders for rice that they had not got had some time or another to buy in, but if a whisper got abroad on the exchange that such and such a Kurayashiki was covering itself, prices were forced up against it, and the Kurayashiki would be faced with a heavy loss. Various plans were adopted by the officers of the Kurayashiki to keep their buying orders secret, while the other rice brokers did their best to ferret out what was going on.

THE " STATE " BUSINESS POLICY OF EACH CLAN.—We have seen how the Daimyo acted in the Osaka market from their headquarters at the Kurayashiki, and besides that, they took certain other steps which were for their own benefit, but were also justifiable from the viewpoint of an economic policy. In the early days they shipped to Osaka rice mainly, with a little sugar from Satsuma, but as the need for money grew, they began to send all other available products out of their territories. The taxes were paid in rice, and the Daimyo just sent to Osaka what they got from their subjects. The case was different with the other products, which had to be bought from the producer or owner, and by forcing the sale or otherwise using his absolute power the lord could get them at a price below the prevailing market figure. These peculiar products of different territories had been handled by a certain class of merchants, but, by entering the game himself, the Daimyo froze them out, and had a further advantage that he marketed the goods in Osaka as kuramono and not nayamono, getting all the benefit that accrued to the former class. To sum up, then, the Daimyo purchased these peculiar products in their territories at prices lower than the prevailing market prices, and sold them in Osaka at prices higher than would have been possible save for their being classed as kuramono. This " state " business policy of their territories, coupled with frequent fluctuations in the prices of gold and silver, caused a rise in the prices of commodities, from which the people greatly suffered. But there was a better side to it, because each Daimyo adopted measures to develop the different industries in his territory, thereby considerably increasing the output. The clan of Kishu was one which had many industries, or lines of business, under the management of the local government.

AN INSTANCE OF RELATIONS BETWEEN A KURAYASHIKI AND ITS KURAMOTO MERCHANT.—We have outlined the relations between the

Daimyo and their Kurayashiki in Osaka, and to illustrate in more detail we will scan the agreements between the clan of Tokuyama and the Hirano-ya, who acted as the Kuramoto and Kakeya at the clan's Kurayashiki. The clan of Tokuyama, in the province of Suwo, was a branch of the Mori family, one of the biggest feudal lords in those days, and their territory produced a little over 40,000 koku of rice a year. In 1777 the Kuramoto of the Kurayashiki of this clan was Hirano-ya Gohei, one of the ten biggest exchange merchants in Osaka, who held also the post of Kakeya of the same Kurayashiki. Now there is still extant the *Gotoke Shoyakusho Yorozu Sadamesho*, which is a book of daily records taken by the officials attached to the Tokuyama clan's Kurayashiki in Osaka, and this contains the agreement between the clan of Tokuyama and the Hirano-ya, as revised in July 1740. According to this the goods shipped from the territory of the clan to its Kurayashiki in Osaka in those days were rice and paper, the former to the amount of 4,000 koku and the latter 3,100 rolls a year. Shipments had been made from Tokuyama to Osaka between the months of October and March, but the schedule of shipments was revised in 1740 to run from July of one year till June of the next. The money accruing from sales was spent mostly on the regular expenses of the clan, both in its own territory and Edo. It appears, however, that the Hirano-ya had advanced money to the clan, and that both rice and paper, when shipped to Osaka, were consigned to the Hirano-ya, who, on behalf of the clan, disposed of them, and deducted from the proceeds of the sales the amount that they had advanced, remitting any balance to Tokuyama. Among the regular expenses of the clan, which were covered by the proceeds of the sales of its rice and paper in Osaka, the principal items were household expenses in Edo, clothing, minor payments in Osaka, travelling expenses to Edo, and the same back to Tokuyama. The expenses, therefore, were high for a year when the lord of the clan resided in Edo, but rather small when he was in his own territory. For the year in Edo, the compulsory term of residence obligatory on all Daimyo, household expenses were 311 kwamme of silver for thirteen months, from April till April of the succeeding year, or 24 kwamme a month. When the lord was in his own territory the expenditure in Edo was 165 kwamme of silver, or 15 kwamme a month, from May till March. This sum was disbursed by the Hirano-ya to the clan's residence in Edo between the 5th and the 25th of every month. Allowances for retainers, etc., amounted to 24 kwamme of silver in the year, and special expenses to 9 kwamme of silver, and both sums were remitted from the Hirano-ya in the fixed month, so that the remittances might arrive in Edo not later than the 20th of the said month. The clothing bill, which was 15 kwamme of silver a year, was paid in December each year. The journey up to Edo cost 67 kwamme 500 momme of silver, and the return journey 82 kwamme 500 momme of silver. Over and above all these items, every June the Hirano-ya remitted 50 kwamme of silver to Tokuyama to cover an increase in the shipment of paper to Osaka. In some years the shipment of paper increased by more than 50 kwamme of silver, but the Hiranoya did not necessarily increase the amount of their remittance on that account. The selling price of the hanshi paper was fixed by the clan each year, and the proceeds of the sales of paper the Hirano-ya had to remit to Tokuyama in June each year. When the selling-price was not fixed, and even when it was fixed by the clan, the Hirano-ya was not bound to remit any additional sum, even though the regular remittance in June was not enough to cover the cost of the paper shipped to Osaka.

Accounts between the Clan of Tokuyama and the Hiranoya. From the agreement between the clan of Tokuyama and the Hirano-ya one will note at once the fact that the greater portion of the money that the clan of Tokuyama borrowed from the Hirano-ya was spent on the regular expenses in Edo and the journey of the Daimyo to and from Edo every other year. The sole object of the clan in maintaining its Kurayashiki in Osaka was, it appears, to raise the necessary money for its establishment in Edo, and the travelling expenses of its lord. We may, therefore, safely conclude that, except in the cases of a few big and wealthy clans, the objects of all the other Daimyos who had Kurayashiki in Osaka were similar, and the money got from the sale of surplus rice and so on did not go into the general state funds, but was used for a special purpose. As we have seen, the clan of Tokuyama spent most of the proceeds out of sales at its Kurayashiki in Osaka and Edo and on travelling expenses, but not to supplement the general finances of the clan. Not only that, but the clan in most cases had already borrowed from the Hirano-ya in advance for these items of expenditures, and was shipping rice and other products from its territory to Osaka to pay off its debts to the Hirano-ya with the proceeds of the sales. Naturally, the Hirano-ya had a lien over this rice, and none of it could be moved without their consent, so that year after year the clan had to continue to consign their rice and paper to the Hirano-ya. In case any shipments were lost, either by a shipwreck or any other accident on the way to Osaka, the clan agreed to replace the loss with another shipment. The goods upon arrival in Osaka were put into the godowns at the Kurayashiki under the supervision of the Hirano-ya, who locked the godowns themselves, and the clan officials of the Kurayashiki had only to witness it. In the agreement it is plainly stated that when rice or paper was disposed of, the proceeds of the sales were collected by the Kuramoto or Hirano-ya, and so much was credited to the clan in the books of the Hirano-ya, with whom the clan already had an account. In regard to proceeds of the sales of paper, it is stipulated in the agreement that the same should be set off against the clan's debts in seventy-five days after the sale had been consummated. In the concluding paragraph, the agreement says that the clan shall ship to the Hirano-ya both rice and paper each year in accordance with the terms of agreement, that the Hirano-ya shall collect themselves the proceeds of every deal in the said rice and paper, that the proceeds are to be spent in paying off the advances which the Hirano-ya had already made to the clan, and also that in case the clan shipped its rice or paper to any other than the Hirano-ya, the Hirano-ya is authorized to seize the shipment, and the clan shall not object to such a seizure. There is no doubt, then, that any proceeds of the sales of rice or paper were all to cover the debts of the clan to the Hirano-ya, and the subterfuge of consigning rice and other products to some other agents than their own Kuramoto in Osaka was overcome by the clause sanctioning seizure in such a case. It was stipulated that the clan would not apply for any other loans to the Hiranc-ya than those mentioned in the agreement, nor would any of the clan's retainers apply for loans either; but that if the clan under necessity had to make a special loan from the Hirano-ya, the latter would consent, but in no case make loans to retainers. According to the agreement, the Hirano-ya was both Kuramoto and Kakeya of the clan of Tokuyama, and they supplied the clan with funds for the latter's regular expenditure on security of the rice and paper shipped by the clan to them each year, and the quantity of rice and paper was limited by agreement, consequently the amount of the loans that the Hirano-ya made to the clan a year must have been limited also. And it appears that for extra money that the clan might need from time to time, it borrowed in most cases from its Ginkata, instead of from its Kuramoto or Kakeya; the difference between its relations with its Kuramoto and Kakeya, and with its Ginkata, being that the loans from the former were generally to meet its regular expenses, and were made on the security of the rice or paper, while those from the latter source were mostly spent on extras, and made without security. The proceeds of the sales of rice and paper collected by the Kuramoto were all credited to the account of the clan, whose debts were settled with it at the end of each year, any balance left being payable in annual instalments, as security for which the clan shipped a certain quantity of rice each year until the amount was wiped out.

The Rate of Interest.—According to the agreement of 1740, 1 per cent. per month interest was charged on the advances for the household in Edo and other regular items of clan expenditures of the clan, and both principal and interest together were settled in June each year. In addition, the Hirano-ya, as the Kuramoto of the clan, made some profit out of the clan's consignments of rice and paper. It was stipulated in the agreement that when it was a question of selling, the Hirano-ya should investigate the state of the market and dispose of the goods at prices not lower than those at any other Kurayashiki. On every koku of rice that they disposed of on behalf of the clan the Hirano-ya received a commission of 2 bu of silver, or 800 momme in all on the 4,000 koku of rice consigned to them regularly every year. On the hanshi paper the commission was 1 per cent. from the clan, and another 1 per cent. from the buyer. Nor were these the only profits the Hirano-ya made. They were the Kakeya of the clan as well as the Kuramoto, and collected the proceeds of sales made on

CHARGES ON RICE.

Description.	Rate of Charge.	Payer.
Freight	4 seki per bale	Shipping man
For taking the goods into the godown	4 seki per bale	Shipping man
For taking the goods out of the godown	7 sho 5 go per 10 koku	Buyer
Landing charges at Hyogo	1 to 3 sho per 10 koku	Shipping man
Landing charge at Kawaguchi ..	?	Kurayashiki

Ageni, one boat, 20 koku. Rate from Ichino-fuchi, 1 to 1 sho rice.
Chosen, one boat, 10 koku. Rate from Ichino-fuchi, 6 sho rice.
Ageni, one boat, Mikawaya. Rate from Namba, 7 or 8 sho rice.
Chosen, one boat. Rate from Naga-hori-sage, 3 sho rice.

CHARGES ON PAPER.

Description.	Rate of Charge.	Payer.
Freight	2 sen	Shipping man
For taking the goods into the godown	3 rin	Kurayashiki
For taking the goods out of the godown	8 sen	Buyer
Transportation charge	9 rin per maru	Kurayashiki

The landing charges at Kawaguchi were the same as those for rice.

The official rate of freight for rice, as fixed, was 4 shu 2 mi per koku, from Tokuyama to Osaka.

behalf of the clan, as a rule, ten days after the sales were consummated, holding the money on behalf of their clients. In case the cash was collected from the buyers before the 15th, the Hiranoya paid interest at 1 per cent. per month for half a month on it, but when the money was paid in later than the 15th, interest did not commence until the next month. In the case of hanshi paper, the money was usually collected within seventy-five days after delivery, and interest at the rate of 1 per cent. per month was payable from the day following settlement. If settlements were made before the end of June, the Hirano-ya paid interest on them; but in case the buyer paid after July had begun, the amount of interest due from the first of the month till the day of settlement was refunded to the Hirano-ya.

THE TOTAL PROFIT OF THE HIRANO-YA.—To sum up, the profits reaped by the Hirano-ya as the Kuramoto and Kakeya of the Tokuyama Kurayashiki in Osaka were: first, the interest that the Hirano-ya, as a creditor, charged on its loans to the clan; second, commission on sales; third, the profit made by utilizing proceeds of sales held on behalf of the clan; and fourth, the salary received from the clan for acting as the Kuramoto and Kakeya. The Kuramoto, Kakeya, and Ginkata of each clan each made good profit out of their respective lines of business with their clans, and in the latter part of the Tokugawa period the tendency prevailed among the Osaka merchants for one merchant to combine the posts of Kuramoto, Kakeya, and Ginkata, in order to keep all the profits to himself. In fact, the Daimyo were controlled financially by their Kuramoto, Kakeya, and Ginkata in Osaka, just as the Hatamoto were in the hands of the Fudasashi in Edo. The growing economic influences of the people conquered the military power of the Hatamoto and Daimyo, and, increasing year after year, finally crushed the Tokugawa Shogunate itself.

CHAPTER LXVII

MARINE TRANSPORTATION

Marine Transportation up to the Middle of the Heiancho Period.—In the 240 years following the removal of the Emperor Nintoku to Osaka in 313, the capital of Japan was changed several times from one city to another, and during those years Japan established her protectorate over Korea and endeavoured to maintain it. Naturally, there was close intercourse, and frequent visits, official and otherwise, were exchanged, from which it appears that in spite of the undeveloped condition of her civilization, on the maritime side she was pretty well advanced. In 710 the capital was changed to Nara, and Japan lost her position in Korea, which fell under the control of the strong Tan Dynasty of China, and there was no more exchange of official visits between the Courts of Japan and Korea, though even in those days some groups of Koreans escaped from the maladministration in the three Korean states—Shiragi, Kudara, and Koma—and were naturalized in Japan; and privately owned ships continue to ply. On her part, Japan admired the Tan civilization of China, and from time to time sent special commissions thither. Bokai, a small state in Manchuria, dispatched a mission to Japan, and Japan sent out an expedition to explore the South Seas. Thus encouraged, marine transportation made pretty good progress. According to records in the time of the Emperor Ninmei (835), the number of boats was increased at the principal places for facilitating travel in the Tokaido and Tosando districts, but these were only ferry-boats for crossing big rivers over which there were no bridges. In 840 the shipping board was revived in the Dazai-fu offices, and was instructed to build ships after the model of a Korean boat, brought back from Korea by the special envoy of Japan to China on his return journey, making it clear that Japan was still behind Korea in shipbuilding. In 894 Sugawara Michizane was appointed special envoy to China, but he declined to go, and at the same time the dispatch of special missions to China from time to time, which had done so much toward the importation of Chinese civilization into Japan, was discontinued altogether, because some Buddhist priests who had been on a visit to China told of their hard experiences at sea, and the officials of the Government began to tremble at the idea of facing such dangers. Thereafter there was no more exchange of official visits between Japan, China, and Korea, and no official ships were dispatched from Japan to China or Korea, though a very few privately owned boats continued to make the trip occasionally, all of which naturally diminished the chances of the Japanese seeing Chinese or Korean boats. In fact, for scores of years following the discontinuation of official intercourse with China, our ships were improved for the purpose of coastwise navigation, but were no longer deep-sea ships, just as the style of writing both official documents and otherwise suddenly changed from Chinese to Japanese in those days. Sugawara Michizane has been lauded by many historians who look at his lofty character only, but it must be remembered that it was during his administration that our boats began to be built for coast navigation only, which not a little affected the development of the shipbuilding industry as well as marine transportation in Japan.

The Maritime Law of the Hojo Period.—Japan then severed her connections with China and Korea, which were the only foreign countries with which she had intercourse in those early days, and this lasted until the Sung Dynasty replaced the Tan, when private intercourse was opened between the people of the two countries. In 1161, or the same year in which Minamoto-no-Yoritomo was exiled to Izu, Taira-no-Kiyomori, the then *de facto* ruler of Japan, set about reconstructing the harbour of Kobe. It is said that 50,000 workers were required, and they were all recruited from districts around Kyoto, the then capital of Japan, which was one of the counts in the accusation of tyranny levelled against Kiyomori. He had, however, no selfish motives, but solely desired to promote trade between Japan and China and Korea, and provide a good anchorage for the Japanese and foreign ships, which were in great need of such a port. In his message issued in 1180, in connection with the said work, he says that what he sought for is the gratitude of all the people concerned, both Japanese and foreign, and that he desired to save the navigators and traders out of their present sufferings, and remove any cause for further anxiety. Under Taira-no-Kiyomori, then, marine transportation made more or less progress, but the advance was much greater under the Hojo Regency, when for the first time Japan had a maritime law of her own. The Kwaisen Shikimoku, as this law is named, can be called a sort of maritime law, and is said to have been compiled by the officials of the Kamakura Government in 1223 in accordance with the advice of three shipping experts—Tsujimura Shimbei of Hyogo, Shinohara Magozayemon of Urato, Tosa, and Iida Bizen of Satsuma—who were called to Kamakura to tell what they knew.

According to these rules, losses on cargo in those days were adjusted on the same principle as a general average in the modern maritime laws. Rules were also provided to deal with collisions at sea, though they were not so complete as those we have now, and it is evident that the three experts knew what they were about.

THE DEVELOPMENT OF JAPANESE SHIPS AFTER THE WAKO.—The constant bloody struggles between the Japanese pirates (Wako) and the Chinese and Koreans drove the latter to the building of bigger and better ships to cope with the corsairs, and in their turn the pirates began to copy improved Chinese types, which reacted on the building of merchant ships. In such circumstances the art made a quick advance, and the Japanese ships of those days were far bigger than those of the Heiancho period, when the Fujiwara were in power in Japan. When Shogun Ashikaga Yoshimasa dispatched an envoy to the Government of China in 1461, there was a ship of 2,500 koku at Moji. In 1543 the Portuguese merchants visited Nagasaki and other ports in Kyushu, where their big ships amazed the Japanese traders and shipbuilders, who quickly copied them, thus registering a further advance. Not only were ships built after European models, but were even given European names, for at Nagasaki there were some ships called "kareuta," and it may be that the name comes from the Portuguese *galeota*, or ship.

HOW WERE THE SHIPS EMPLOYED?—In the time of the Ashikaga Shogunate ships were dispatched by the Daimyo or temples in Japan to China for trade purposes. The Mitsugi-fune, or "ship with official presents," as it was called, bore official presents from a Daimyo or temple to the Government of China, together with merchandise for trade with the Chinese merchants, and were chartered by a Daimyo or temple, as the case might be, from the owner at a certain rate, a captain being put in charge of the ship for the voyage. In the latter part of the Ashikaga period marine transportation had advanced so far that Japanese ships were visiting ports in South China—Formosa, Singapore, Siam, Annam, etc.—where they established colonies or settlements. The charter system vanished, and such big merchants as Suyetsugu, Sumikura, and others owned big ocean-going ships, and themselves engaged in shipping and trade with foreign countries. These merchants themselves or their men took their own goods to China or elsewhere, disposed of them, and brought back wares to sell at home. Toyotomi Hideyoshi did his best to suppress the pirate with a view to safeguarding transportation, and encouraged the study of navigation among his countrymen, so much so that at the time of his invasion of Korea several hundreds of ocean-going ships were built in a short period, marking a great advance in the art. In the thirteen years from 1604 till 1616, 118 ships received the Government's permit for navigation to foreign waters, some even going as far as Mexico. The wooden ships of Japan visited almost all seas in those days, crossing the Pacific Ocean to the coast of Central America. Our marine enterprise was then at its highest point, and the law under which we operated was almost the same as the Kwaisen Shikimoku of the Hojo period.

THE FOREIGN NAVIGATION OF JAPANESE SHIPS PROHIBITED BY THE TOKUGAWA SHOGUNATE.—In 1633, however, Tokugawa Iyemitsu prohibited Japanese ships from sailing to foreign waters, unless specially licensed by the Shogunate, and anyone offending the order was liable to capital punishment. Ships permitted by the Shogunate to navigate in foreign waters were called Goshuin-sen, or Red Seal Ships, as the licence bore the Shogunate seal in red cinnabar. In 1635 the Daimyos, merchants, or farmers were forbidden to build any ship larger than 500 koku. A year later another order was issued prohibiting all the Japanese ships from engaging in navigation to foreign waters, no matter whether they were Goshuin-sen or not. On the 5th of July, 1639, the Shogunate forbade foreign ships to enter the ports of Japan, except for the Dutch, Chinese, and Korean ships. The progress of marine transportation was thus effectively checked in Japan by Tokugawa Iyemitsu, who isolated his country from the rest of the world; and his policy was adhered to by the successive Tokugawa Shoguns till the middle of the 19th century.

FROM THE LOCAL ECONOMIC SYSTEM TO THE NATIONAL ONE.—Though Japan was thus isolated from the rest of the world at home, she had a very strong Government to rule her. For hundreds of years the progress of her commerce and industries had been checked by internecine strife, but with the advent of peace naturally they made a sudden striking progress, and her wealth increased considerably in consequence. As the era when the people in one district lived on their local produce had passed, the provincials began to exchange their own stuff with the products of another district; and inter-state commerce and trade greatly developed among the different districts of Japan. In other words, Japan had passed through the period of the local economic system, and launched into what may be called the national economic system. As this inter-state commerce and trade increased, means of transportation, both on land and sea, became more necessary, and the coastwise navigation of Japan attained a marked progress in consequence, which was seen in the western waters of Japan rather than on the eastern coasts. Even before Toyotomi Hideyoshi established himself at Osaka, Kobe and Sakai were the political centres for the Chugoku districts, the islands of Shikoku and Kyushu, and there had been indications that these two cities might become the economic centre for these western districts of Japan as well. When Hideyoshi settled in Osake, these indications further increased ; the economic position of the cities became more important than ever, and there was frequent communication between Hakata, Sakai, and Hyogo. But navigation was still in its infancy in the eastern parts of Japan. As a case in point, in the era of Bunroku, Tokugawa Iyeyasu planned to visit Toyotomi Hideyoshi in Osaka, and wanted to take with him sufficient rice to feed his followers, which was to be transported from Edo to Osaka by sea, but though he searched through the five coast provinces of Izu, Sagami, Musashi, Shimoosa, and Kazusa, the biggest ships he could get were of between 80 and 100 koku capacity—two at Yokkaichi, two in Funacho, two in Isemachi, and one in Koami-cho, Edo. These seven ships, filled up with rice at Ushijima, sailed out of the River Sumida and went to Osaka to join Iyeyasu's party there, where the people were surprised by a sailing-ship of only 80 koku capacity navigating the open sea from Edo to Osaka.

The National Economic System and Ships.—Under the Tokugawa regime Edo became the political centre of Japan and, for various reasons, navigation became more frequent between Edo and other ports of Japan. In the first place, the Daimyos all established their families in Edo, and they themselves had to come up to Edo every other year, travelling between Edo and their respective territories regularly. In the second place, the Daimyos had to forward to Edo rice and other products to maintain their residences in Edo. In the third place, Edo being the political centre of Japan, the most luxurious style of living prevailed there, and naturally the western districts shipped thither a large quantity of different kinds of merchandise, which encouraged navigation between these districts and Edo. In the fourth place, rice and other produce of the territories of the Shogunate, scattered in different parts of Japan, were forwarded to Edo, mostly by sea. Edo was closely connected, both politically and economically, with the western districts of the country, where navigation had already made more or less progress, and it is natural that the art advanced in the waters in the neighbourhood of Edo. Edo then became the centre of a big economic system of a national character, which took the place of many small local economic systems ; and in creating this situation the most important rôle was played by the Kwaisen system, which needs some explanation. In the Hojo period the name Kwaisen was given to ships employed in transporting tax-rice, but in the Tokugawa period was employed differently, being given to the regular shipping systems operating between Edo and Osaka, such as the Hishigaki Kwaisen, the Taru Kwaisen, etc. Of course, there were some other shipping systems operating in other directions, and these ships, too, were called Kwaisen, but they were distinguished by their proper name from those operating between Edo and Osaka, such as the Ou-Kwaisen, the Hokkoku Kwaisen, etc. The regular ships operating between Edo and Osaka were alone known by the simple name of Kwaisen.

TRANSPORTATION BETWEEN EDO AND OSAKA IN THE EARLY PART OF THE TOKUGAWA PERIOD.—In the early part of the Tokugawa period goods were forwarded to Edo by land, and very little by sea, marine transportation between Edo and Osaka being confined to the shipment of rice and other products from the Shogunate's godowns in Osaka to those in Edo. General merchandise was all carried between the two cities along the Tokaido road by horse and other means. The conditions of transportation between Edo and Osaka in those early Tokugawa days are described in a book called the *Shusai Kinkan*, as follows :—

> In the early days, Katsuan, a saké maker in Konoike, of Settsu Province, himself took his saké up to Edo, carrying two barrels, each containing about 2 sho. He always had with him several pairs of spare sandals for use on the road, and once arrived in Edo, he called at the houses of different Daimyos and sold them his saké at 300 momme per sho. His was better than any saké in Edo then, and his customers were so anxious to buy from him that he quickly disposed of what he brought, and visited Edo even more frequently, making a big profit on each visit. Rice was rather cheap then, and his expenses in an inn were about 12 momme per day, the return trip from Konoike to Edo costing him in all about 350 momme. With the continuous increase in the demand for his saké, he could not meet it by carrying the saké on his own back, and he began to employ a number of horses for the purpose. Each horse carried two barrels of saké, containing 4 to each, and it was from this practice of Katsuan that in later years one-horse load was made the unit of sale in saké, the price being so much per one load of two 4-to barrels. Transportation by horse, in its turn, failed to meet the increasing demand for saké in Edo, and he began to make shipment by sea. Thousands of barrels of saké were forwarded in one shipment in big ships, and hundreds of such big ships, some even of 1,000-koku capacity, were employed constantly in transporting saké from Settsu to Edo, etc.

THE FIRST TRANSPORTATION OF MERCHANDISE BY SEA BETWEEN OSAKA AND EDO.—As stated above, the transportation of general merchandise between Osaka and Edo was made on horseback in the early years of the Tokugawa period, but in 1619 a merchant in Tomitamura, in Muro county in the province of Kishu, chartered a ship of 250-koku capacity and carried from Osaka to Edo cotton, oil, vinegar, saké, soy, etc., for the merchants in Osaka, who sold the goods in Edo. The rate of freight was decided upon between the captain of the ship and the shippers of the cargo ; and this ship was the first to operate between Osaka and Edo carrying general merchandise for merchants. In 1624 Izumi-ya Heiyemon, an Osaka merchant, established a shipping business at Kitahama in Osaka, and started a line between Osaka and Edo. Three years later, in 1627, there were similar shipping houses in Osaka, such as the Keuma-ya, the Tomita-ya, the Otsu-ya, and the Sho-ya, all of which engaged in the same line of business. There were frequent sailings between the two cities, and the ships were called Hishigaki Kwaisen.

Ships were Small and had to stop at many Ports on the way. At first the capacity of the ships operating between the two cities was from 250 up to 400 koku, but gradually increased to 500 koku, which was the limit permitted by the Shogunate, although, as a matter of fact, some of the ships were in reality of a bigger capacity. Starting from Osaka they called at Kishiwada, Izumi, Wakayama, Tanabe, and Tomita, of Kii; Kuki, Anotsu, Gokasho, Toba, and Koura, of Ise; at Shimoda, Ito, and Kawanatu, of Izu; and passed Misaki in Miura before they reached Edo. With more experience they ceased to cling to the coast so closely, and called only at Wakayama, Tanabe, Kumano, Toba, and Shimoda on their way to Edo. The reason why these ships had to call at so many ports was the Shogunate order of 1635 prohibiting the building of any ship of more than 500 koku, with a keel, or more than two masts, etc. The ships built according to the Shogunate regulations could not face the open sea, but had to call at many ports, and the hugging of the coast was the cause of many mishaps. Had it not been for the regulations of the Tokugawa Shogunate prohibiting the building of any ships of more than 500 koku, Japan's marine transportation would have grown much more quickly than it did.

The Doings of the Sendo.—The relations among the shipping-agents, ships, and sendo were not so simple in those days as one may believe in our own time. In early days the sendo was the ship-owner, not the captain as now, but with the developments in marine transportation the owners ceased to command their ships themselves, and employed expert seamen in their place. These employed sendo were called the Oki-sendo, which literally means "Captain on the sea," and their position and responsibilities were nearly the same as those of a ship's captain in our own time. At first these Oki-sendo purchased merchandise on their own account, and disposed of it at the port of destination, a practice called Kai-zumi, literally "Purchasing and Shipping." In other words, the sendo traded himself in addition to his commanding a ship for his employer. Later, this Kai-zumi system was discontinued, and shipping-agents came into existence instead to look after the shipping of goods for merchants; the

Kwaisen Tonya they were called, and they rapidly grew in number, divided into two classes, the Tsumi Tonya and the Niyaku Tonya. The former put merchandise aboard in Osaka, while the latter were established in Edo, and examined and delivered to the consignees the goods brought there by ships. (Such shipping houses as the Hishigaki, the Taru-fune, and others combined in themselves both Tsumi Tonya and Niyaku Tonya.) The marine-transportation system in those days thus grew out of the personal system, in which one man was the owner and at the same time commander of a ship, and risked all possible dangers during his voyage, and took all the profit out of transportation and trade, a state of affairs with many inherent defects. The various tonya merchants who were the shippers or consignees of goods did not know anything about marine transportation, nor had they any connections among themselves for their mutual protection. The entire responsibility for transportation and trading rested with the shipping houses, and there were many inconveniences to the shippers or consignees in consequence. Besides, the fact that the trading houses had no say, while the shipping houses controlled the shipments absolutely, tempted the sendo and crew of a ship to do unlawful things. They would purloin part of the cargo or wet the goods on purpose, or seize them on a trumped-up excuse, and never dreamed of giving compensation.

The Formation of the Tokumi Tonya.—In view of such misconduct, Asakaya Ihei, a merchant in Edo, proposed in 1694 to the Tonya merchants concerned to take united action against the shipping houses and their seamen in cases of loss. His proposition was accepted, and the druggists, nail merchants, and others at Hon-funa-cho, Muromachi, Tori-cho, Gofuku-machi, Hon-cho, and Odenjma-cho met in conference. Up to then transportation between Osaka and Edo had been controlled by the shipping houses, or Funa Tonya, as they were called, in Osaka and Edo. East of Imakiri, in the province of Totomi, affairs fell under the control of Edo, and west of that place of Osaka. In case of any accident to a ship during a voyage, in which its cargo was lost or damaged, the remainder of the cargo was to be disposed of by the shipping houses concerned, and the proceeds therefrom divided among the owners or consignees of the cargo ; in other words, the owners of the remaining cargo had to share the loss incurred by the other consignees on account of such accidents. But since the disposal of the remaining cargo was left entirely to the shipping houses concerned in the accident, both in Osaka and Edo, they disposed of the goods as they liked and never accounted for the proceeds. At their conference, therefore, the trading houses formed an association among themselves, and resolved that thereafter in case of a shipwreck or similar accident the disposal of the remaining cargo should not be left entirely to the shipping houses in Osaka or Edo, as before, but that the officials of the association should take part in the business personally. The Tokumi Tonya, as the new association was called, included the following ten different trade associations, Tokumi Tonya in Japanese meaning ten associations of wholesale dealers:—

1. The association of dealers in lacquer ware.
2. The association of dealers in silk clothes, other clothes, ginned cotton, fancy goods, and toys.
3. The association of merchants in Tori-cho Street dealing in fancy goods, dry goods, lacquer ware, kitchen ware, and iron ware.
4. The association of druggists.
5. The association of merchants dealing in nails, iron, and copper ware.
6. The association of cotton merchants.
7. The association of dealers in different kinds of matting.
8. The association of merchants dealing in rice and oil.
9. The association of merchants dealing in paper and candles.
10. The Saké-mise gumi or association of dealers in saké and other alcoholic liquors.

SHIPPING HOUSES CONTROLLED BY THE TOKUMI TONYA. — Each of these ten associations had its own official called Gyoji, and the Gyoji of the ten associations took charge of all business concerning losses to cargo arising from a shipwreck and other accidents. The Great Gyoji, selected from among the Gyoji officials of the ten associations in turn every two months, controlled all affairs concerning the sendo and other seamen. The new association was a very strong one, and assumed controlling power over marine transportation between Edo and Osaka, though the Hishigaki shipping houses continued to carry on business as before.

While the Gyoji officials of the Tokumi Tonya thus took part in the disposal of the remaining cargo of a wrecked ship, the goods carried for other merchants who did not belong to any of the ten associations were put under the control of two of the ten associations, namely the Uchi-mise and the Tori-cho gumi. It was even agreed that in case of a shipwreck or similar accident west of Imakiri, the disposal of the remaining cargo and other adjustment should be done in Edo instead of in Osaka, as before. The formation of the Tokumi Tonya in Edo suggested a similar course to Osaka merchants, and those whose principal line of business it was to supply goods to the tonya merchants in Edo also formed an association called Purchasing Agents for Edo Merchants. This association, in co-operation with the Tokumi Tonya in Edo, which controlled marine transportation between Osaka and Edo, at first consisted of ten associations of different lines of trade, which, however, later increased to twenty-four associations. The two leagues of trading houses in Osaka and Edo, thus united, controlled not only marine transportation affairs between Osaka and Edo, but also Hishigaki ships operating between the two cities; and they so fixed matters that the Hishigaki ships could carry only the goods of the members of the Tokumi Tonya in Edo and Purchasing Agents for Edo Merchants in Osaka, as well as the goods of the Tokugawa Shogunate and the different clans, but that they should not carry goods of other merchants or shipping houses. Moreover, the sendo, or captains, of these ships were forbidden to carry any goods on their own account. Besides, these two leagues of trading merchants also owned their own shipyards, where they built new ships and repaired the damaged ones. In that way the Tokumi Tonya not only lessened losses arising from the unlawful acts of the shipping houses or their sendo, but controlled marine transportation between Osaka and Edo, and with their great resources grew into a mighty system, which controlled vast financial interests in Edo in the later years, and might be well called an economic feudal system. Osakaya Ihei was the architect of all this, and his achievements along this line can be well compared with those of any hero whose exploits are known in history.

THE TONYA BEGAN PAYING TAXES TO THE SHOGUNATE.—Though the trading tonya in Osaka and Edo, through their respective leagues, controlled marine transportation between Osaka and Edo, they never paid, strange to say, any taxes to the Tokugawa Shogunate, although the profits of the shipping houses in Osaka in those days were rather big. In addition to their regular shipping commission, they received from the shippers a further commission of 8 per cent. on the freight. It was merely by chance that taxes were levied upon them. A man engaged in shipping business, Yohei by name, who was living in the province of Musashi, presented a petition to the Finance Minister of the Tokugawa Shogunate in 1780. Yohei, in his petition, complained that accidents were more frequent than before, particularly off Kumano-ura, in the province of Kishu, and in the neighbourhood of the port of Toba, in the province of Shima, and the losses accruing to the shipping houses in Osaka were, therefore, bigger. "Consequently," he said, "these shipping houses in Osaka, who used to share the expenses of building new ships or repairing the old ones for the Hishigaki line, refuse to contribute because of the losses they are incurring." The immediate result was a quick decrease in the number of Hishigaki ships operating, from over 200 to about 80. In view of such a decrease in the number of ships operating, a congestion of cargo was inevitable; and ship after ship was overloaded, with a consequent increase in accidents or delays. The direct result of frequent shipping accidents and delays in transportation was a shortage of merchandise in Edo, and the high price of commodities which prevailed in those days in Edo was, in Yohei's opinion, due to the shortage of merchandise from the Kwansei districts for the above reasons. Therefore, if the Shogunate permitted him, Yohei continued to establish a sort of chamber of commerce and empower it to collect the commission which the shipping houses in Osaka had been collecting, amounting to 2,700 ryo a year, the said chamber of commerce would pay the Shogunate 1,000 ryo every year, and spend the remaining 1,700 ryo in building two merchantmen annually for charter to the shipping houses. By increasing the means of transportation between Osaka and Edo Yohei thought he could adjust the prices of commodities in Edo, which were so high in his time. The shipping houses in Osaka handling the shipping of merchandise to Edo were over 500 in all, but they were not officially recognized by the Shogunate, as some lines of trade were, but were all what may be called private merchants. Besides, there were many other merchants in Osaka who shipped to Edo in addition to other business. Yohei proposed that the Shogunate should permit these merchants to form a kabu system, thereby officially recognizing their exclusive rights in the business, and making sure that they would pay their dues to the chamber of commerce. His petition was transferred by the Minister to the Governor of Osaka, as the matter related to the shipping houses in Osaka, and on reference to these houses was unanimously opposed. The Shogunate, therefore, rejected the petition in 1783, but at the same time told the shipping merchants that if Yohei could pay a tax to the Shogunate for his shipping business, they could do so too, and requested them to reconsider this particular point. Thus warned, the Osaka men proposed that, if the Shogunate would grant them kabu forming 24 kumi, or associations, among them, and giving them exclusive rights, they would pay a tax of 300 ryo in the first year and 100 ryo in each of the years to follow. The Shogunate officials did their best to get a higher figure, but the traders were stubborn, and finally the Government agreed to the amount proposed and granted them kabu rights.

TRANSPORTATION IN THE NORTHERN SEAS IMPROVED.—While marine transportation between Osaka and Edo thus improved, it also developed between Edo and the O-u districts through the northern waters, which contributed much to the progress of the economic system of Japan from its local character to national dimensions. In the earlier days, when goods were to be shipped from the O-u or north-eastern districts to Edo, it was a laborious business. If the wind was favourable, boats left Arahama, a port on the Pacific coast, came to

Izu, and sailed round the peninsula of Izu to Choshi at the mouth of the River Tone in the province of Shimoosa. At Choshi the cargo was transhipped, usually by river-boats, up to Sekiyado on the upper course of the river, whence the boats went on to Gyotoku, which was connected with Edo by a canal, and through this canal the boats proceeded to Edo. There were many inconveniences along this early route of navigation between Edo and the north-eastern districts, not to speak of the time required, but even this route was an improvement on that before the time of Tokugawa Iyeyasu.

Transportation from the Japan sea-coasts to Edo was still more difficult. When goods were to be shipped from Dewa and other northern districts on the Japan Sea to Edo, starting from Sakata or some other port in these districts, the boats coasted round Echigo and Etchu to Tsuruga, where they would land their cargo. Then the goods were forwarded on horseback over one hundred and eighty miles of mountainous roads up to Shiozu on the northern shore of the Lake of Biwa, whence they would be transported by small boats to Otsu on the opposite side of the big lake. From Otsu the goods would go on by land to Kuwana, a seaport in the province of Ise on the Pacific coast of Japan, whence they were carried to Edo by the regular merchantmen. Difficulties and losses in transportation along this route, where the goods were re-shipped so often, were almost beyond description, and it was impossible to do any business along such a complicated route, along which, it is said, 3,000 horses and oxen were employed. Seeing the undeveloped condition of transportation between Edo and the north-eastern ports, the Tokugawa Shogunate wanted to better it, and in 1670 Kawamura Zuiken, a merchant in Edo, was named official commissioner for planning improvements. It was in 1632 that rice from the north-eastern districts was brought to Edo for the first time; and with the growing population, the demand for the north-eastern rice increased, of course, making it a matter of vital importance that its transportation should be facilitated. Zuiken personally visited the north-eastern coasts, questioned the veteran sailors, and drew up his plan. According to his scheme, a ship starting from the north-eastern coast to Edo made first for Awa, thence to Shimoda in the province of Izu, via Misaki in the province of Sagami, and then came to Edo. He also proposed to increase the pay of the sendo and other seamen, so that they would work faithfully and honestly. For navigation along the coasts of the Japan Sea, Zuiken discontinued the old route of transportation by land and via the Lake of Biwa from Tsuruga to Kuwana, and planned for ships to sail from Sakata in the province of Dewa, by the Hokuriku direct to Shimonoseki, thence via the inland sea to Osaka. From Osaka the goods were forwarded to Edo either by land or by sea, and in the latter case the ships would take the regular navigation route or pass round the promontory of Kishu to the coast of the Tokaido districts, then through the Sea of Sagami to Edo. The total distance in this way from Sakata to Edo was over 460 miles, which was covered in three months; a great improvement on old times, when it usually took about one year for an ordinary merchantman to travel from the coast of the north-eastern districts to Edo. According to Zuiken's plan, rice and other goods once loaded aboard a ship at Sakata in Dewa were to be carried to Edo by the same boat without any transhipment; and this was carried into effect by the Shogunate, rice and other products of north-eastern parts of Japan being brought to Edo more easily than before. Prior to the adoption of Zuiken's plan by the Tokugawa Shogunate, or about in 1630, the price of rice in Sendai, the principal city in the north-eastern districts, was 1 ryo for 7 koku, but with marine transportation facilities thus increased the price of rice in that city quickly went up, and was 1 ryo for 2 to 4 sho in 1690; and it is safe to say that by Kawamura Zuiken's efforts a complete system of sea navigation was established around the coasts of Japan.

COMPETITION BETWEEN THE HISHIGAKI AND THE TARU SHIPS.—As we have seen, marine transport between Osaka and Edo in those days was mostly in the hands of the two big systems, the Hishigaki and the Taru. There were some merchantmen navigating between the two places which belonged to neither of the two organizations, but they were almost a negligible quantity. These two lines grew naturally in years, but at first there was not much competition, nor was there any marked distinction between the goods carried by their ships. The Hishigaki ships carried mostly oil and cotton articles, but they also carried saké, vinegar, soy, and other big cargo as well, whereas the ships of the Taru line carried mostly saké produced at Itami, near Osaka, but also carried such cargo as paper, cotton goods, ginned cotton, metals, matting, vinegar, soy, lacquered ware, etc. When the Tokumi Tonya associations was organized in Edo in 1694, the saké dealers joined in the name of their association, Saké-musé gumi. In those days the ships of the Hishigaki system were under the control of the Tokumi Tonya, but it must be repeated that at the beginning there was no marked distinction between the Hishigaki and the Taru lines as regards the goods they carried.

THE CAUSE OF THE COMPETITION BETWEEN THE TWO LINES.—With the growth of population in Osaka and Edo, however, the goods moved between the two cities increased in quantity, and as saké when shipped with other goods often caused damage to the other goods, their shippers were averse to charter space in a saké-carrying ship. Accordingly, in the era of Kyoho, the Tokumi Tonya League in Edo adopted a resolution prohibiting saké from being shipped in a boat with other merchandise; and as a result, the sake-makers or dealers were excluded from the Hishigaki shipping system, controlled by the Tokumi Tonya, despite their being members of the league. They had, therefore, either to own their own ships or employ ships belonging to the Taru shipping line, which were outside the control of the Tokumi Tonya League. Thus placed, the saké merchants began to control the Taru line for their own interests against the Hishigaki line of the Tokumi Tonya. A clear distinction was thus made between the two systems—the Hishigaki ships carried general cargo and the Taru ships saké. If the saké merchants could not employ Hishigaki ships, there was no reason why they should continue to belong to the Tokumi Tonya League, and so they left it, whereby it became a league of nine associations instead of ten associations, as at the beginning, although it still retained its name of Tokumi Tonya.

AGREEMENT BETWEEN THE TWO SHIPPING SYSTEMS.—The two shipping systems, one entirely different from the other in interests and sentiment, naturally began to compete with each other, and their competition grew keener and keener. The Taru ships being built for the purpose of carrying saké, which deteriorated quickly, were mostly light, fast sailing-boats of 250 koku or so. Besides, as they carried saké only, the loading and discharge were far simpler than on the Hishigaki ships, which carried a mixed cargo. For these reasons some merchants belonging to the Tokumi Tonya League often preferred Taru to Hishigaki, and not a few of them made use of the former, in spite of the fact that the Tokumi Tonya League controlled the Hishigaki system, and its members were bound in duty to employ the Hishigaki ships. In 1770, therefore, the merchants associated with the Tokumi Tonya League in Edo, except the saké merchants, met in conference and discussed how to stop members of their league shipping by the Taru ships instead of by the Hishigaki. If they resolved that the members of the league should not ship their goods except by Hishigaki ships, it would be impossible to enforce it, for to some of their members Taru had great advantages over Hishigaki. They therefore passed a resolution that, as far as rice, bran, indigo, vermicelli, vinegar, and soy were concerned, members of the league were free to ship by Taru as well as the Hishigaki ships, but that they should ship no other goods by the Taru ships. Of course, this was only a resolution among the members of the Tokumi Tonya, and had no power of restricting the Taru ships in any way. But in 1777 the shipping houses of the Taru system in Dembo and Nishinomiya were granted kabu by the Shogunate, and in the following year the

Hishigaki shipping houses were allowed the same privilege (vide the chapter dealing with the kabu system in the Tokugawa period); and the two shipping systems arrived at an agreement between themselves in regard to the kinds of goods to be carried by their respective ships as follows:—

1. Saké to be carried by the Taru ships only.
2. Rice, rice bran, indigo, vermicelli, vinegar, soy, and Awa candles to be carried by both the Hishigaki and Taru ships.
3. All other kinds of goods to be carried by the Hishigaki ships only.

In August 1784 the twenty-four trade associations in Osaka were granted a kabu privilege, and adhered to the above agreement, attempting to stop any of the goods assigned to the Hishigaki ships in the agreement being carried by ships of the Taru system, but without much success.

Average Settlement Agreement.—The sugar merchants of the day had no association of their own, but belonged to the Druggists' Association, and joined the Tokumi Tonya as members of that body; but in spite of this connection the sugar merchants in Edo preferred the Taru ships to the Hishigaki for a twofold reason—lower rate of freight and quicker speed. In 1787, therefore, these sugar merchants of Edo shipped their goods by the Taru ships instead of the Hishigaki ships, in violation of the resolution passed by the Tokumi Tonya some time previous in regard to the shipment of their goods. Merchants dealing in cotton goods, too, began to load their cotton on the Taru ships on top of the saké casks. The Taru ships thus began to carry other merchandise in addition to their saké, and in December 1802 the saké merchants of Edo demanded of the saké-makers in Osaka, Itami, and Nishinomiya that cotton goods should not be loaded upon the saké ships because not only did it delay the voyage, but opened the door to more sea accidents. The protest failed, for by that time it was already an established custom among the Taru ships to take other cargo besides saké on their trips to Edo. Moreover, shipments of saké from Osaka to Edo had decreased, and the Taru ships needed other goods to fill up the space. In these circumstances, an agreement was reached as regards the way by which an average or averages that might happen to any of the Taru ships should be settled, as follows:—

In case of an average declared for a Taru ship, the losses incurred were adjusted upon the basis of the following valuation:—

1. In case of the loss of the entire cargo by shipwreck, nine 12-kwamme bales of ginned cotton should be estimated to be of equal value to 5 da of saké, instead of 3 da of saké, as before.
2. In case of damage to cargo, one 12-kwamme bale of ginned cotton should be estimated to be of an equal value to 5 da of saké.

THE TOKUMI TONYA LEAGUE REVIVED.—Competition became ever stronger between the two lines, and the Taru ships began to accept goods from the regular customers of their competitors, gradually encroaching on the Hishigaki sphere. Seeing the advantages afforded by the Taru ships, many trading houses connected with the Hishigaki system severed their connections with it and chartered space with the Taru ships, and the league of trading houses in Osaka and Edo that had been organized for the protection of their mutual interests against the illegal acts of the shipping houses and their seamen dissolved by itself. As already stated before, the Hishigaki line was controlled at first by the Tokumi Tonya League in Edo and the Twenty-four Association League in Osaka; and the trading houses in the two cities connected with these two leagues invested their money jointly in the construction of new ships and the repair of old ones for the Hishigaki line. But now that the two leagues had lost control, and many trading houses connected with them shipped by the other line, none of them would contribute to the construction of new ships or the repair of old ones, and the result was a fast decrease in the number of ships operated by the Hishigaki system, coupled with depreciation of those still running. About 1723, when the Hishigaki system was at the pinnacle of its prosperity, it included about 160 ships, which had decreased to 38 in 1808. Even those 38 ships were all old, decrepit, and very poorly equipped, so that mishaps were frequent. It is said that during the nineteen years from 1784 to 1803 the losses arising from various forms of shipping accidents aggregated 358,086 ryo of gold and 6,466 momme of silver. The loss incurred by the shipping houses concerned was so big that many of them failed and closed their doors.

In view of the fact that the marine transportation between Osaka and Edo was almost monopolized by the Tokumi Tonya of Edo, through the Hishigaki shipping system, the decline of this line was a serious matter, because the league would fail if it could not continue to control. To save the league out of its difficult position, the leaders of the Tokumi Tonya wanted to adopt a nakama or kabu system, with the official recognition of the Shogunate, thereby regulating the doings of its members; and in 1803 applied to Lord Odagiri, the then Governor of Edo, for official recognition, saying that, without it, it was impossible for the officials of the league to control the actions of its members, and that consequently the league was in a difficult position. For various reasons the application was not granted by the Shogunate until the 7th of February, 1808, when the Hishigaki shipping houses adopted a nakama system with official permission, and merchants connected with the system were strictly bound by the regulations of the organization, now officially recognized, and could no more ship their goods by the Taru or any other ships, as some of them had been doing. The condition of the Hishigaki line quickly improved, and the business of the Tokumi Tonya became again prosperous as before. The most prominent figure in this particular movement was Sugimoto Mojiro, whose story we have told in the chapter on the tonya system.

THE INFLUENCE OF THE TOKUMI TONYA DECLINED.—This Sugimoto Mojiro, supported by the Mitsuis, and with capital supplied by them, planned to build 100 ships for the Hishigaki line, and well-nigh succeeded, for there were 80 ships, old and new, belonging to the line in 1809. Sugimoto became a prominent figure among traders in Edo, and under his leadership the Tokumi Tonya League was put on a firm foundation. Indeed, this was the most prosperous time of its history, and its influence was so great that almost all kinds of trade in Edo were under its control. But Sugimoto and his associates were ordered by the Shogunate to sever their connections with the league, because they had made unlawful use of the deposit of the Sankyo Company, which was a sort of banking organ of the league ; the charge brought against them being that they utilized the money for the interests of the Tokumi Tonya in an unlawful way. When the league thus lost its active leader it began to decline, and the Taru shipping houses in Osaka and Nishinomiya quickly seized the opportunity to encroach once more on the sphere of their competitors. Strong competition again followed between the two rival shipping interests, and the war continued for years, until the Hishigaki line could carry on no longer. In July 1820, therefore, they tried to enlist the saké dealers in an attempt to restrain their Taru rivals, and presented letters to the Director-General of the Saké Dealers' Asssociation asking for mediation between the rival shipping interests in regard to their present competition. The saké dealers sympathized with the position of the Hishigaki shipping houses, and placed the matter before the saké merchants in the twelve towns and villages in the provinces of Settsu, Kawachi, and Izumi who were supplying them with saké. The brewers met in conference and discussed the matter, but the majority of them held that the situation need not be modified at all, and should be left as it was ; and the petition of the Hishigaki shipping houses was rejected.

THE HISHIGAKI SHIPPING HOUSES AIDED BY THE SHOGUNATE AND THE KISHU CLAN.—The Hishigaki shipping houses continued to decline, and by 1825, or fifteen years after Sugimoto Mojiro left them, there were only 27 ships operating under their flag. Driven by force of necessity, they again petitioned the saké merchants that Taru ships should carry saké only, but in vain. As a last resort they approached the Shogunate. When Sugimoto Mojiro managed the Tokumi Tonya, he connected the league with the clan of Kishu, one of the branches of the Tokugawa family, and the directors of the league, as the first step in getting support from the Shogunate, chartered 30 ships from the clan of Kishu. Then they built 21 new ships, and as they had 27 ships already, the fleet operating under their flag was now 78 altogether. Besides, they concluded contracts with the clans of Owari and Ise, giving them the right to charter ships belonging to those two clans any time when they needed them. Then they approached Sakakibara Tadayuki, the Governor of Edo, and begged him to get the Shogunate to issue an order to the merchants connected with the Tokumi Tonya League that they should not ship by the Taru ships, but should forward all their goods by the Hishigaki ships only, as they used to do. Their petition was granted in November 1833, when the Shogunate called a meeting of the directors and other officials of the Tokumi Tonya League and representatives of the Hishigaki shipping houses, and decided the relations between the Hishigaki and Taru interests as follows :—

1. Seven kinds of merchandise, namely, rice, rice bran, indigo, vermicelli, soy, vinegar, and Awa candles, can be shipped by either line, as agreed by the shipping houses connected with the two systems.

2. Dried bonito, salted fish, and dried vegetables can be shipped by either line in principle; but as these goods are for the use of the Shogun's household, they shall be shipped mainly by the ships of the Hishigaki line. Sugar for use in the Shogun's household directly, or by confectioners who are purveyors to the Shogun's household, shall be shipped by the Hishigaki line only.

3. The Hishigaki shipping houses shall operate well-found ships on their line, and shall do their best to see that delays are avoided. If any of the shipping houses connected with the Hishigaki system be found shipping goods by a Taru ship, it shall be reported to the proper office in the Shogunate at once.

4. Dried bonito, salted fish, and dried vegetables, and the sugar that is to be used by confectioners who are purveyors to the Shogun's household up to 100,000 kin, can be shipped by the ships of either line, but copies of invoices covering the quantity of these goods shipped by the Taru ships shall be sent to the Hishigaki shipping houses, as well as to the Taru shipping houses, so that the quantity shipped by the Taru ships may be checked by the Tokumi Tonya League.

The foregoing regulations were notified by the Shogunate to the Taru shipping houses, as well as to the Hishigaki.

As to the clan of Kishu, it not only allowed the Hishigaki line to charter 30 of the clan ships, but also permitted them to fly the clan flag ; and this licence put the Hishigaki ships in a very advantageous position over others, for many of the ships owned and operated by the clan of Kishu had flown the clan flag, and wherever they went were given preferential rights of entry and clearance. So enthusiastic was the clan of Kishu in supporting the Hishigaki line that many traders were reprimanded by the clan of Kishu for shipping goods by the Taru line. The relations between the Tokumi Tonya and the clan of Kishu became very frank, and with such support the Hishigaki shipping houses regained their once lost superiority over the Taru line, and the Tokumi Tonya League began to monopolize almost all the principal lines of trade in Edo, which was, however, strongly resented by the general public. It was even declared that the high prices of commodities then prevailing in Edo were largely due to the monopoly by the Tokumi Tonya of marine transportation between Osaka and Edo. In 1842 Mizuno Tadakuni was appointed the Prime Minister of the Tokugawa Shogunate, when he abolished by order all exclusive systems of commerce such as the kabu, kakama, and kumiai systems; and the Tokumi Tonya, the League of Twenty-four Associations, the Taru and the Hishigaki shipping systems were no exception to the rule. Consequently, all the regulations, agreements, etc., that had been in force in regard to marine transportation became void. For all particulars of these circumstances, the reader is referred to the chapter on the " Rise of the Tonya."

New Shipping System formed.—The Hishigaki line that had monopolized marine transport between Osaka and Edo for about 160 years was thus deprived of its monopoly, and the freedom of the sea perfectly restored. But the shippers were not necessarily better off in the changed circumstances. For instance, in case of a shipwreck, formerly the shipping houses, their association, etc., took part in the adjustment of the losses arising, and the sendo and other seamen were prevented from unlawfully disposing of the remaining cargo. But now there was no system or organization to restrain the sendo and their subordinates, and these fellows ran riot, just as they had done before the formation of the Tokumi Tonya League in the era of Genroku. In July 1842 the Shogunate promulgated regulations regarding shipping accidents, which, however, could not be properly enforced, as no tonya or nakama system among the trading or shipping houses was recognized. These regulations were a subject of much discussion, and it was found that they were unworkable if they closed the door against the tonya or nakama system. As it was, in spite of the order of the Shogunate prohibiting the formation of a tonya, nakama, kumiai, or any other form of combination of capital in commerce, a new combination of capital was formed in Osaka. Among the merchants connected with the former league of twenty-four different associations in Osaka, those who handled big cargo, representing nine different lines of trade, combined and built their own ships and engaged themselves in the transportation of merchandise. This combination, which was called Kyuten, was in reality the revival of the former Hishigaki shipping system. The principal goods handled by it were raw cotton, oil, paper, cotton clothing, drugs, sugar, iron, wax, and dried bonito—nine in all. A sub-combination of capital called Jusanten—attached to the big one—handled such goods as matting, lacquer ware, dried vegetables, etc. Then merchants connected with the former Taru shipping interests formed a new combination, too, and in reality revived the former Taru shipping combine. The Kyuten combination had two directors, who managed the shipping affairs of the organization, and also looked after the Jusanten; and among its ships some were owned by the combine itself, some by some commercial houses connected with it, some chartered from individual shipowners, and some owned by the forwarding houses. When the combination was at the height of its prosperity, it operated 40 ships; and it may be said that the Kyuten and Jusanten, though smaller than the Hishigaki combine, were more active than the latter. Under the new system the wataban-sen, or cotton ship, conveyed the ever-increasing quantity of raw cotton to Edo from the Kwansei districts. Every year, when this raw cotton arrived in the capital, there were frequent fluctuations in the price, and the cotton merchants were eager to get their goods as quickly as possible and beat their competitors. Rivalry grew so strong among them that no one minded paying extra charges, if only the goods arrived promptly. The sendo and seamen of the cotton ships were given extra pay, and, thus encouraged, were most careful and earnest in studying the directions of wind and sea-currents, so that their ships might cover the voyage in the shortest time. Great progress was made in the study of sea-currents and wind in those days, and the cotton ships raced one against the other. According to one story, two ships, each carrying raw cotton, left Osaka at the same time, and sailing side by side arrived at Uraga at the same time, and entered the Bay of Edo at the same time. They ran neck and neck, just like horses.

Ships after the Revival of the Tonya System.—Under the administration of Mizuno, all the privileged commercial systems were completely destroyed. No tonya, no kumiai, and no other system or organization that would control commercial transactions was allowed to continue, and this strange condition lasted for twelve years. But in 1853 the Shogunate allowed the revival of the tonya system, when the shipping houses in the twelve towns in the provinces of Settsu, Kawachi, and Izumi, who were engaged in the forwarding business to Edo, concluded an agreement on freights with the houses who were shipping saké from Osaka and Nishinomiya to Edo.

Shipping Service between Osaka and Edo declined.—Though the tonya system was thus revived, it had none of the old privileges or peculiar rights, and was nothing but an ordinary, simple, commercial organization. Similarly, the resuscitated Hishigaki and Taru shipping systems had no longer a special character. For many years previously, the tonya houses in Edo had been in debt to those in Osaka, and when the suppression of the tonya drove many Edo tonyas into bankruptcy, the Osaka houses sustained heavy losses, so that they were now very cautious about dealing with Edo and loath to give credit or fulfil orders. The net result was a decrease in the Osaka-Edo trade. Moreover, in the last 150 years industries had made considerable progress in the slow-moving north-eastern districts, which could now support themselves with the produce of their own fields and had no longer to import necessities from the Kwansei or western districts as before. With the decline in trade, of course, marine transportation between the two cities declined also.

The Decree forbidding the building of Big Ships withdrawn.—Although marine transport between Osaka and Edo fell off, the visits of the American warships and Russian warships to the coast of Japan awakened the people to the necessity of mastering their seas, and marine transportation as a whole, with the exception of the Osaka-Edo route, advanced so much that in September 1853 the Tokugawa Shogunate issued a decree withdrawing the prohibition of the building of big ships. The decree reads :—

> Though the construction of big ships, other than cargo boats, has hitherto been prohibited by order, yet the changed circumstances now necessitate the building of big ships. Therefore, the lords are now permitted to build big ships as before, but before doing so they must apply to the Shogunate for a licence, reporting the number and other particulars of the ships that they are going to build.

Thus the prohibition of the construction of big passenger-boats, issued in the early part of the Tokugawa period and remaining in force for many years, was now withdrawn, as a result of the visit of foreign warships to the coasts. At the same time, the Japanese officials and others interested in marine affairs concluded that the European type of ship was far better than the Oriental, and in 1853 the Shogunate ordered two steamships from the Netherlands and, at the same time, dispatched some young men to Nagasaki, where they were trained by the Dutch seamen in navigation. In 1860 the warship *Kanurin Maru*, manned by Japanese trained by the Dutch at Nagasaki, was dispatched to America. The marine regulations, the construction of ships, as well as the maritime routes, ports, etc., of Japan were now all modified after European methods or systems; and our marine history entered on a new epoch.

The Sizes of Ships in the Tokugawa Period.—In the early part of the Tokugawa period there existed practically no regulations controlling ships, until in 1636 a commission, consisting of ten seniors and one representative, was appointed in Osaka to control shipping, its duty being really to see that the Shogunate's decree prohibiting the construction of big ships or ocean-going ships was properly enforced. In 1727, for the first time, the Tokugawa Shogunate issued an order to the shipping houses that they should report in regard to every ship of 200 koku or larger capacity entering the Port of Osaka each month, giving its place of registry, capacity, the name of its owner, its captains, and also whether the ship was engaged in service to Edo or not. According to an investigation made in the era of Kyoho (1716–36), there were 346 ships in Osaka with capacities ranging from 20 to 990 koku, 24 ships in Ikeda of from 60 to 1,040 koku, and 47 ships in Dembo of from 100 to 1,100 koku. According to the *Hand-book of Osaka*, edition published in 1740, a shipping chamber of commerce was already in existence at that time in Osaka, and an inquiry made in 1787 shows that there were 196 ships registered there of from 10 to 1,597 koku, and 15 ships which were not originally registered in Osaka, but employed in the name of Osaka merchants.

Ships of 1,000 Koku or more.—As the foregoing paragraphs show, in the era of Kyoho there were ships of 1,000 koku, or even more, in contravention of the decree of the Tokugawa Shogunate issued in Kwanyei (1624–44) prohibiting the building of ships of 500 koku or more, with a view of preventing the Japanese from navigating in foreign waters and trading in foreign countries. This decree of the 15th year of Kwanyei was interpreted as prohibiting the feudal lords from constructing big men-of-war, but not as forbidding the building of freighters of 500 koku or more, although this was in no way the idea of the Shogunate in issuing it, for they clearly wanted to prevent Japanese from trading in foreign countries, and big ships of any sort were anathema to them.

In the meantime, however, marine transportation between Osaka and Edo greatly increased; and as ships of less than 500 koku were too small for the trade, the shipowners secretly built big ships of 1,000 koku or more, and put them into service between the two ports. At first they did it secretly, but afterwards they interpreted the Shogunate's decree of Kwanyei as not prohibiting the construction of big freighters, and they were openly constructed; neither could the Government forbid it, because the decree in question did not particularly specify cargo-boats. In the end the visits of American and other foreign ships brought about the reopening of foreign intercourse; and in 1853 the Tokugawa Shogunate finally withdrew the decree of Kwanyei, which had practically not been in force for many years, for there was a ship called *Kwanko Maru* of 1,600 koku chartered by the Kyuten Shipping Association in Osaka, and owned by Kano Jisaku of Mikage, in the province of Settsu. The captain was Yennonoshima Sunataro, and the ship was commonly called Sunataro ship.

CHAPTER LXVIII

THE PERIOD OF THE RESISTANCE OF THE AGRICULTURAL CLASS

IYESHIGE'S INFIRMITY AND FOLLY.—The ninth Shogun, Iyeshige (1744–63), was a paralytic who could not speak plainly, and the fact that he was allowed to succeed shows that the Shogun was a mere figurehead. Various stories are told to show what a feeble creature he was, and as the Chamberlain, Tadamitsu Ooka, was one of the few who could understand his halting speech, this man finally grasped the reins of power firmly in his own hands.

One of Iyeshige's first acts was to dismiss Norimura Matsudaira, one of the most loyal servants of his father Yoshimune, and who had the courage to hint that Iyeshige was mentally and physically unfit to succeed. He had also offered his master very sincere advice when he was debasing the coinage, namely, that he should store in the treasury some of the old good coins for use in emergency. The advice was rejected, as the Shogunate did not care to violate its own rule forbidding concealment of the old coins. With the banishing of Norimura, the remaining retainers were a stupid and simple lot who tried only to please the all-powerful Chamberlain, Tadamitsu. Such a situation speeded the bankruptcy of the Shogunate, which already was in great financial straits.

THE BEGINNING OF THE TANUMA ADMINISTRATION.—During the fifteen years' Shogunate of this imbecile Prince nothing was accomplished, and in 1760 he resigned office to his son Iyeharu, who, though weak and nervous, was not a lunatic. Under Tadamitsu Ooka, the Chamberlain, who tried to serve with loyalty and discretion, there were no grave evils, but the clever and bright but ignorant and poor Tomotsugu Tanuma, who followed him, again introduced eunuch administration. Tanuma first served as page to Yoshimune, and owed his rise to his good looks; and when Iyeharu became the heir to the Shogun, he was appointed one of his suite. He already had a name for arrogance, and declined to follow the usual palace custom of a chamberlain saluting a minister by stooping to the floor on his knees and hands. One day he met one of the ministers, Akimoto, lord of Tajima, in the hall-way, but arrogantly refused to pay the usual respects, upon which the angry nobleman forced him to do so. When Iyeharu became Shogun, Akimoto, fearing revenge, resigned on the pretext of illness; and thenceforward all officials kowtowed to Tanuma, and he became the decider on all matters. In 1769 he was raised to a position of equal standing with a minister, and soon after was appointed minister, which office he held for seventeen years, wielding an absolute sway. That the generation tended to luxury and dissipation was seen in the era of Yoshimune, but at any rate the Government, during this period, did try to suppress it. During the reigns of Iyeshige and Iyeharu there was no strong hand at the helm of the ship of state; things were left to take their course; and under the administration of Tanuma there was such decay of manners and customs, and such unheard-of corruption among officials, that "Tanuma Administration" is a by-word.

CAUSES OF TANUMA'S UNPOPULARITY.—Tanuma was bold enough, but unfortunately for himself he was not nobly born, for he had risen by his own efforts from a humble 300 koku to the status of a daimyo drawing 57,000; and there were, moreover, certain elements in the official world which prevented him from having full scope. All through the history of the Shogunate there were Court intrigues, generally between the adherents of the last Shogun and those who trusted to the rising sun; and in Tanuma's time these jarring elements were numerous. In the first place, although he had the confidence of the Shogun, he was disliked by the consort, who was from the Tsuda family, which formed a centre of opposition to the minister, and welcomed all who had a grudge against him. In the second place, the Mito, Owari, and Ki-i Tokugawa families were up in arms against him for what they called arrogance and disrespect. In the third place, certain officials of the old school looked askance at him and distrusted his new appointees, for Tanuma, in order to consolidate his position in the midst of conflicting elements, replaced many of the old officials with new ones. These were not always the best suited for their posts, and many of them were corrupt, so that they injured rather than helped their patron, and allowed the Tsuda party many openings. Another of his schemes was to win the sympathy of the deputies of the various feudal lords who formed the *corps diplomatique* in Edo, and thus get their clans on his side. In order to realize this, he first approached the powerful Lord of Satsuma, and proposed a marriage between Iyenari and the daughter of Shimadzu. Iyenari was heir to the Shogun, and it was against the custom of the Shogunate to marry into the family of a local lord, so the three houses of Tokugawa were all against it. But Tanuma persisted in the scheme without any consideration. The three houses continued to maintain that the consort of the Shogun should not be drawn from an unrelated clan, and attempted to cancel the engagement, but Tanuma stood out, and obtained a pledge that the engagement should remain as arranged, which, of course, raised the Shimadzu family above the status of the ordinary daimyos. The family presented Tanuma with a silver ship 18 feet long, loaded with gold and silver, in return for his services. In many such ways the clans that were previously kept out of Court circles now gradually encroached over the threshold. Those who clung to the old order of things, and backed the three families, could only utter impatient curses, and were unable to suppress the growing influence of Tanuma over circles outside the Shogunate's government. For instance, Tadatomo Mizuno, by adopting the second son of Tanuma, obtained the lordship of Dewa, and was allowed to enter the circle of daimyos. Sukenao Ohta, lord of Bitchu, who married his daughter to the eldest son of Tanuma, was given the position of Commissioner of Temples and Shrines. In fact, all persons eager to obtain office sought means to approach Tanuma, and the air was thick with bribes and gifts. The daimyos and lords of the period vied with each other in ordering rare articles and valuables from the Dutch in order to present them to Tanuma; and the Dutch traders began to think that the seven-star crest of Tanuma was the national symbol. Appointments to all offices were decided according to the value of the gifts offered, and verdicts in suits went to the highest bribes. Against Tanuma was a combination of the opposition elements, composed of the three branch families, the Tsuda family, the old-timers, and those who had been refused office, and they never ceased to censure and libel him, even asserting that he had poisoned the Shogun's heir, Iyemoto. However, he did not go so far; his crime was only the buying of support from the outside clans, the corruption of administrative discipline, and the oppression of merchants in the name of financial adjustment by enacting new regulations.

THE SHOGUNATE'S FINANCIAL STRESS.—The derangement of the Shogunate's finances was already a chronic malady. In the Kyoho era there was a slight improvement, but with Tanuma in power and consequent corruption of official discipline, the financial condition again became distressing. For this reason instructions were issued to the four classes of people to economize, and prohibiting luxury, but, although such orders frequently appeared, in view of the official corruption, the people ignored them, and, as a matter of fact, the authorities never rigorously enforced them. During the time it was a custom for the heir to the Shogun when entertaining his mother to adorn the banqueting room with various rare articles, novel toys, and other such valuables, and upon her departure it was the rule that such as she had looked at should be sent after her to her residence.

The same rule was followed when acting as host to high and important officials; whatever the guest commented upon was presented to him. It can easily be imagined what a drain this was on the most frugally-minded of officials, for unexpected expenditure will upset the best-laid financial plan. To remedy the financial stress, officials could think of no means but debasing the gold and silver coins; and in 1765 the 5 mon silver was issued on the ground that owing to the over-supply of one denomination of coins hitherto, it had been decided to issue a smaller coin in order to give the poorer classes a chance of obtaining money. The large percentage of impurities in the new copper coins made them very unpopular, and another change had to be made in 1772 by issuing what was known as Nanryo 2-shu silver, which was exchanged at 2 against 1 bu and 8 against 1 ryo, causing utter confusion in the relative value of gold and silver, as described in the chapters on the currency system.

THE GREAT CONFLAGRATION AND EPIDEMIC.—On February 4, 1760, the year when Iyeharu succeeded to the Shogunate, a fire broke out in Imaidani, in Akasaka, and swept the city up to the southern portion of Shinagawa. On the 5th another fire started in Kanda, which razed the city to ashes from Yanagiwara to Sakuma-cho, Fukagawa, burning two bridges. Again, on the 7th, a third fire broke out in the Zojoji Temple in Shiba, burning all up to Tamachi, and consuming one-third of the city of Edo. Before the burned district was again rebuilt, in February 1772, a fire broke out in the Daiyen Temple at Meguro, and burned down everything before it to Shirokane, Azabu, Nishinokubo, and Sakurada, when the flames invaded the castle, reducing the gateways of Wadakura, Babasaki, Hibiya, and Kanda, and many official buildings and residences of lords to ashes. The fire then spread to Nihombashi, consuming Shitaya, Asakusa, and Senju, thence leaping to Uyeno and Yanaka.

The devastated district measured 1 ri in width and 4 to 5 ri in length, and there were 400 deaths; the Government was faced with the necessity of rebuilding Government buildings and palaces, calling for immense sums, in addition to which the Shogunate, as usual, granted donations to the retainers at a rate of 50 ryo to those drawing 1,000 koku and 2 ryo to those drawing 15 to 20 bales. This was a great burden to the already distressed Government, and unhappily another disaster took place in August, when heavy rain and winds injured the crops severely. Misfortune did not end there: in the spring of 1773 an epidemic caused the death of innumerable people. The deaths in the city of Edo alone within February and May were figured at 190,000, and it was said that in and around Hisaka of Totomi the plague wiped out every living soul.

THE GREAT FAMINE AND ITS MISERY.—However, worse was to follow. In 1780 the crops of all Northern Japan were very bad, the best portions producing but one-half of normal times, but an entire failure marked the 3rd year of Tenmei (1787–88) and was followed by a terrible famine. A private letter from an inhabitant of Northern Japan to a friend in Edo admirably describes the miserable state of the entire O-u district :—

> I am sending a few lines believing that you and the family are all in good health, which is a very happy thing. As for myself and family, kindly be at ease, as we are still without any mishap.
>
> As you may already be aware, this part of the country is at present experiencing a failure of crops such as was never known before. During the past winter, even in the coldest period, the temperature was as summer. It is true it froze in November, yet in what is usually the coldest period it began to thaw and the weather became as in March and April. At New Year—in January—a slight cold was experienced, but still it was a great deal warmer than in normal years. February and March were also quite warm, but in April westerly and northerly winds prevailed, the temperature being low as in winter with incessant rainfalls. In April there were only seven days when it did not rain, and as these days were cloudy with mist brought by east winds, there was not a single clear day. May was no better, the first day opening with rain, and there were only six days when it did not rain. In June there were about five dry days, but no bright days ; in July there were only four fine days, and in August six. Although the weather was as described above, the outlook for the wheat crops from spring seemed very good, which was something unusual in recent years, so everybody rejoiced, but alas ! near the harvest time, owing to the incessant rainfalls, the crops could not ripen, and when at last harvested there was not a single grain, causing untold hardships to the population. However, the rice, soya beans, sorghum, and other products looked as if they were better than they had been recently, not only to amateurs like myself, but to old farmers and old-timers, so that a good harvest was expected in autumn, and every one was optimistic in spite of the wheat failures ; but gradually matters turned bad to worse. Although spring flowers had bloomed at the regular time, yet the wistaria and the globe flower bloomed again in June and July, causing the hillsides to look as in spring. Such flowers as the primrose and the Chinese hollyhock bloomed four to five times from spring to December ; summer chrysanthemums bloomed profusely up through November ; bamboo shoots were found in September and October ; the chicada still chirped in the latter part of September, and there were other unusual happenings. Rice had no ears even in the latter part of July, and such ears as formed were stunted within the leaves of the plant without flowering. The plants with ears averaged only 1 per cent., the remainder having none, so that not a single grain ripened. Such products as soya beans, millet, sorghum, etc., were killed by a sharp frost on the night of August 13th and failed to seed, thus causing an unheard of crop failure. As you know, in the past three or four years the production has been less than one-half of normal times, causing a famine-like situation, but the wheat failure of last summer and the similar fate of the autumn crops have exhausted the entire stock of cereals, so that prices rise by leaps and bounds every market day.

Anything which can be eaten has risen enormously in price, and as nearly everything is exhausted people even dig up grass shoots and ferns, which soon disappear when hunted for by thousands of people. Those who eat such food suffer from a kind of poisoning, which causes their bodies to swell and induces constipation, from the combined effects of which countless thousands have died. In the month of September the beggars are said to have started eating dogs, cats, monkeys, and other animals, which I thought abominable, but since the last month not only dogs and cats, but horses and oxen are killed for food. Beggars of the outcast class will catch and kill dogs and cats before your eyes, and eat them without any salt, which is simply the act of a demon and indescribable in words. Of course, robbery is rampant, the robbers roping up the inmates of a house, and, after taking all the grain and valuables, setting fire to the building. Such incidents are so numerous that I could go on for ever, and the very number of them makes it impossible for the watchmen to cope with them, careful and zealous though they are.

It seems as if about one-half of the population of the stricken areas have already starved, and no one knows what our fate will be from January to March and April. The beggars and outcasts wander about in such numbers that it is like a perpetual market day. Even in normal times they used to resemble Nambu scarecrows ; it is difficult to give you any idea of how they look now. Pale with dishevelled hair, eyes burning, cheek bones and jaw protruding, and their frames so wasted that they appear to be clothed in rush mats ; they cannot be called human beings. The shops are afraid to open, for, if they do, no end of beggars force their way in and will not leave unless they are given something to eat. Even in broad daylight people coming on business are not permitted past the door. Anyone who gives something to the poor, although his whole family may help in making the distributions, cannot prevent a selfish struggle in which the old and weak are forcibly deprived of their share amid shrieks, which give you a chill throughout your body, echoing into your heart. In this fight for food many fall into the moats and continue the struggle half-drowned. The whole scene brings hell before one's eyes. Every night there are two or three fires and many people are burned to death, as well as horses, oxen, chickens, and dogs. It is about 2,800 years since the death of our beloved Buddha, and, although we were taught that it would be a long while yet before the arrival of the Last Day, I feel as if it were now coming, which worries me and gives me no rest of heart. Our lord desires to aid the hunger-stricken people, yet, owing to the continued failure of harvests in recent years, stocks are exhausted, and there is nothing to be done but to grieve over the situation. After all, all that could be done towards rescuing the beggars and outcasts would be but a drop in the ocean.

The law strictly forbids the exposing of horses and oxen, but in the present situation necessity obliges owners to do so. These carcases the beggars strip of their hides and sell as venison, and the people, though well aware of what they are doing, buy the meat because it is cheap. Horse flesh is sold according to weight, like seal meat. Not only venison but any form of flesh which can serve as food maintains a price equal to that of fish.

Near the limits of the castle walls and in the surrounding suburbs numerous parents have thrown their children into the sea and rivers, and on investigation it appears that in most cases the deed was the outcome of the crop failures, although there are sad cases from other reasons. Among the victims of death some were quite resigned to their fate, while others regretted it and clung to life. Those who were ashamed to have their names known in public went deep into the forest and hanged themselves, while a great many also weighted themselves with stones and pebbles and plunged into the sea off the cliffs, never to rise again. Although there are countless persons who have thrown their offspring away, yet up to now there has not been a single instance where a mother or a father has been got rid of in this manner, for which our people are worthy of praise.

Since about the close of last month, fires have been exceptionally numerous, numbering about five or six every night. Mobs of fifty to seventy persons force themselves into different houses, looting property and grain, and as such cases happen several times a day, one never can be at ease a single day, or even a single second.

There is practically nothing in the territories of Sendai, Tsugaru, and Morioka, but it is said that Morioka has produced a little, although I understood they did not even have seed stocks, and even if they did have a small harvest sufficient for seeds, yet the grains did not develop sufficiently for such purpose. Thus, when the time of planting comes next year, there will not be a single seed. What we are going to plant is a question.

That the beggars devour cats, dogs, horses, and oxen is something hardly ever heard of from times past and is beyond comprehension, but what is even more horrible is the fact that the flesh of the human body should be very palatable. Outrageous !

Cannibals.—In the autumn of 1783 a pilgrim, who had entered Akita after crossing the mountains from Nambu, told how, while traversing the territory of Nambu, he saw everywhere heaps of human bones, the collected remains of those who had starved. One evening, in the heart of the mountains, he entered a large house to request a night's lodging, but inside there was no sign of life, only one old man lying nearly dead, who said : " My family used to be a large one of forty members, but since the famine all have died, leaving me in this plight, of which you are a witness." The pilgrim went to the well for water, but could get none, and on looking into the well he saw the white remains of those who had plunged in in desperation, and whose bones now choked the well, so that the bucket could not reach anywhere near the water. The narrator went on to describe how the famished people of the ravaged land at first took advantage of the dark and ate the flesh of the dead, and then, with the conditions growing worse, masked themselves and searched for their horrible food in broad daylight, but finally, growing desperate, they forgot every human convention and began to eat human flesh without reserve. Comparing this report with the letter just quoted, it may be seen that the population turned into a horde of famished demons. Half the population of Northern Japan is said to have died in seven years, reducing the numbers to about 1,200,000 souls. According to a diary made by an eye-witness, *Ichiwaichigen* (*Short Stories*) the following story is extracted :—

> A long time ago, during the great famine in the year of the horse a large portion of the country suffered from starvation. I, as a small boy, was travelling with my father from Kaga to Echizen, and when traversing a place called Kushino, of Komatsu, we noted white specks in a pine grove, which looked like white stone tiles, and owing to the depth of the morning mist, it was not possible to make out what these specks were. When we asked our pack-horse man to enlighten us, we learned that the white objects were the skeletons of those who had starved during the great famine of 1785, which were brought to this place tied together with ropes and thrown away.

THE ERUPTION OF ASAMA.—While the famine was taking such a terrible toll in Northern Japan, on the 8th of July, 1783, an eruption of Mount Asama threw up cinders and large boulders and a stream of lava, which damaged the country for 40 ri around. Almost all Shinano and Kozuke were devastated, and over 20,000 people lost their lives. In this eruption stones the size of millet-seeds are said to have fallen in the city of Edo. The local and central authorities took no special relief measures for four months, when the starving farmers of Shinano and Kozuke proceeded in bodies of 400 to 800, and even 1,000, to their respective lords and prayed for aid. Among such petitioners was a party of farmers from the town of Annaka, who asked for aid from Lord Itakura. Thrice they waited at the gate and craved for help. The incompetent officials did not know what to do and were unable to take any decisive step, so the farmers finally grew desperate and attempted to enter the castle by force. Stirred by this example, the ruffians and undesirables of the surrounding country formed themselves into groups and attacked the rich, and in the middle of October they had made their way to the town of Komoro in Shinano, and were about to lay siege to the castle of Uyeda when they were repulsed by the garrison and dispersed. Finally, on the 9th of November, the Shogunate promised to reclaim the lands devastated by the eruption, employing the farmers of the locality upon the work and paying them with food and money.

RISE IN THE PRICE OF RICE, AND THE REBELLION OF THE POVERTY-STRICKEN.—The famine in North Japan and the eruption of Mount Asama caused such an increase in the price of rice that in May 1787 the Osaka quotation was 148 mon per sho, a level never recorded previous to this time. In Edo the official standard price was 52 ryo per 100 bales, but the transacting prices rose to 120 then, to 160 ryo, and at last to 182 ryo. The retail price was 4 go 3 to 5 shaku for 100 mon, rising to 2 go 5 shaku. Made desperate by hardships, a mob of a thousand rose in Osaka and destroyed the premises of over two hundred rice dealers between May 10th and 12th. When the news reached Edo, the population immediately showed their sympathy by doing the same on the 20th to the rice dealers near Akasaka Mitsuke.

We are told how there was a grand old man and a handsome youth among the mob, who were so active and astute that they were believed to be gods who had temporarily come to earth to show their ire. This incident was the spark that fired the magazine ; and on the afternoon of the 21st, without any previous warning, and without anyone starting from any one place, of a sudden throughout the city the bells began to ring and drums to beat, and a mob gathered, which attacked the rice dealers and the rich in Nihombashi. The only place in the city which escaped the assault of the rioters was Iidamachi. The mob was divided into twenty-four or twenty-five parties, composed of about 5,000 persons, who attacked mostly the premises of rice dealers and the rich, breaking down the gates with battering-rams propelled by hundreds of hands. It was at first understood that they should not pilfer or steal, but when the discipline of the mob began to wane many turned thieves. The Shogunate did not know what to do, and after being an onlooker for three days, decided on the 23rd to dispatch police to suppress the uprisings, at the same time permitting the peaceful citizens to use bamboo spears as a means of self-defence and to kill, if necessary. The citizens combined and placed watchers at different crossings, but it was mainly owing to the fatigue of the rioters, and the Shogunate's step of rationing the needy by giving 5 go of rice and 3 sen of money per day to each person, regardless of sex, that the uprising was at last quelled, and not before the impotence of the Shogunate had been clearly shown. These riots were the only serious ones in Edo, but there were others in Nagasaki, Wakayama, Koriyama, and other towns and cities.

The Population of Edo.—In connection with the relief extended to the poor, a census of Edo was taken, and the city was found to have a population of 1,367,880 persons, of whom 587,800 were males. There were, in addition, 3,840 blind men, 2,500 prostitutes, 60,660 monks, 3,580 Shinto priests, and retainers of the Shogunate and other feudal lords.

The Calamity in the Tanuma Family.—Before the time referred to in the previous paragraph, an incident took place which greatly pleased the Tanuma opposition. On the 24th of March, 1784, Tanuma's son was assassinated in the castle by Zenzaimon Sano, who was embittered by personal grievances. The assassin was ordered to commit seppuku, and his remains were buried within the precincts of the Monzeki Temple in Asakusa, where the people came to worship at his grave, calling it " The Great Spirit of the Saviour of the Country." When young Tanuma's remains were carried to the Seirinji in Komagome for burial by night, under cover of the darkness, many threw stones at the procession. However, Tanuma himself was quite unmoved, and continued to carry out his new system of financial adjustment. Before describing what this was, we must at this place discuss how much of the hardships in the agricultural districts was due to the eighth Shogun's (Yoshimune) administration in the Kyoho era, highly as the historians of the Tokugawa period praise him. There can be no doubt that Yoshimune's personality stood out among the mad and sickly Shoguns, in that his conduct through life was comparatively pure and he tried to imbue the nation of his time with a spirit of frugality and courage. He understood the common people well, and whatever he did, he did firmly. However, in order to accumulate treasure in the coffers of the Shogunate for times of emergency: (1) he changed the taxation system from "four to the lord, six to the people" into "five and five," thus adding to the burden of the agricultural class; (2) he levied a tax of 100 koku for every 10,000 koku on every daimyo, and they all shifted it on to the agricultural class; (3) he did his best to see that the Shogunate got its legal due, and his regime, known as the "interposing administration," showed no mercy to the farmers; (4) as the wealth of the Shogun depended on the price of the rice, he always manipulated it up and down either to benefit his own treasury or relieve his retainers. Unhappily, whenever the Shogunate managed to increase the price of rice it was always at a time when the rice had just left the hands of the farmers, who therefore reaped no profit from it, and, on the contrary, suffered from the high price of commodities which accompanied the high cost of rice; and whenever the Shogunate designed to lower the price of rice, it usually was when most of the stocks of rice were still in the hands of the farmers, so they were the ones to feel the evil effects. The Kyoho era was in fact a period when the farmer-class was most hard hit, and, in spite of the law forbidding it, agricultural land changed hands widely. The farmer-class had no voice in politics, and as the literary men and poets all served the Shogunate, there was no one to support their cause by pen or verse. Finally, they were driven to express their sufferings by force, and the cause of the Tenmei riots may be traced to a remote source, the root of which lay in the "interposing administration" of the Kyoho era.

FARMER REVOLTS.—The peasant revolt first reared its head in Iwakuni, of Suwo, at the time of Yoshimune's policy of financial deflation in 1719. The Mori family tried to keep the affair a secret, and it is impossible to give full details, yet when we find that 136 farmers were arrested, of whom, after imprisoning them for three years, 21 were banished to distant lands, while 8 were beheaded, we can form an idea of how important an incident it was. The next revolt was in Shirakawa, in 1720, where the farmers were enraged by the financial administration of Hannojo Doi, who, in order to lift his lord out of a morass of debt, was merciless in squeezing out taxes. The peasants gathered to the number of 1,000 and attacked the castle, making a prisoner of a county commissioner. Faced with this revolt the lord, Matsudaira Mototomo, had to imprison his commissioner, dismiss Hannojo Doi, and alter the policy of taxation to appease the farmers, and get them to disperse. The third rising took place at a copper-mine in Ikuno in 1739, due partly to a decrease in wages and partly to the regulations regarding the exchange of the new and old silver coins which were drawn up with a view to profiting the Shogunate. The miners broke out into open revolt, and the manager of the mine had to give in to them.

THE O-U REVOLT IN NORTHERN JAPAN.—The fourth revolt of the commoners happened in 1739 in the town of Taira. The head of the clan, Naito, notwithstanding his income of 70,000 koku, still extorted heavy levies, which resulted in the uprising of the farmers. An excerpt from an article of the time well depicts the cause and conditions of this revolt :—

> The Lord of Taira Castle of Iwaki, Oshu, Tomoyuki Naito, whose revenue is 70,000 koku, has in recent years frequently demanded money from his people, and from the present year the levy was fixed at 1 ryo 3 bu for 100 koku, to be collected for seven years. The saké dealers, bean curd makers, and ginseng dealers of the towns and villages of the territory were made to pay a business tax on their total sales, and the various tonyas were charged 50 momme for a horse-load of commodities when bought, and 416 momme for every 10 ryo worth of goods sold. The smaller shops were taxed according to their monthly total sales. Anyone who tendered a petition against the methods was reprimanded, and if he persisted, jailed. It is not known who wrote the circular, but a letter was sent out advising the farmers living in the territory of 70,000 koku to assemble at the foot of the castle on the 17th to discuss the eighteen articles of the farmers' petition. Any absentee was warned that his home would be attacked and his wife and children killed. Warned by this threat, all the towns and villages responded to the call, and the men began to assemble at the appointed place at about the fifth hour on the 17th of May. Two men, Yoyemon and Hichiroyemon, were not present, and the whole army of farmers marched to their respective houses and destroyed everything before their eyes, overturning all the saké in the process of brewing. Then, in groups of 500 and 1,000, they marched out to the eight directions, flourishing the ensigns of their villages, blowing shell horns, and howling their battle-cry. First tearing down the residence of Ichiroyemon, the head magistrate of the city, they tried to attack the Government office, where they were welcomed with grape shot, but in the end the defence was outnumbered and dispersed. The mob confiscated all the arms and threw them into the wells, and did the same by the account-books, or else tore them to pieces. After destroying all these books with their records of stipends, taxes, and so on, they began to gather around the prison where a certain Kisoji, of Kaijitsu-mura, had been immured for the past eleven

years. He had been the first to tender a petition on behalf of the farmers, but as it was not heeded he attempted to bring the matter before the Shogunate, and for that reason was imprisoned. The mob decided that he should now be free, as he had already suffered long enough for the sake of the farmers belonging to the 70,000-koku fief, so they hauled him out. At dawn of the 18th the rioters began to invest the castle from different directions with whoops and shouts, and the retainers assembled with their armour, saddles, and weapons in a high state of confusion. At the fifth hour the farmers assailed the house of Kinzayemon Mimatsu, a purveyor to the clan chief, razing his property to the ground, and with the same force broke through the gateway of Tamachi and on to the conference hall, where there was the three-ken and seven-ken archives. They tore the building down and ransacked the books and documents, carried them out, and making a huge bonfire with doors, sliding screens, furniture, spears, halberds, and so on, set fire to it. The flames roared up, choking the heavens with smoke and clouding the neighbouring territories, as if the whole castle and city of Iwaki were on fire. Not content with this, the farmer-army, which now numbered 84,000, challenged the warriors of the castle to come out, and, in fact, presented so firm a front that all their demands had to be conceded.

THE MINO RIOT.—In 1758 the Lord of Mino roused the opposition of the farmers in his domain, and his fief was confiscated, which may be taken as sufficient proof of the influence of the agricultural classes in the Kyoho era. In order to increase his revenue, the Lord of Mino had ordered that all taxation should be by inspection, but this form of levy, although advantageous to the farmers in times of poor harvest, hit them heavily in normal years, and they declined to comply. The lord had to abandon the idea and go back to the old method, but he soon made a second attempt to introduce it, at the same time requesting the Shogunate Bursar, the Lord of Omi, for aid should anything happen. The farmers again refused, and as a few farmer-representatives were dispatched to Edo to protest to the Minister, the Lord of Mino imprisoned them. This only aggravated the rebellious spirit, and when the Lord of Omi, the representative of the Shogun himself, severely bade them comply with their lord's order, they felt that the Central Government was against them, and in desperation resorted to force. Armed with bamboo spears and carrying flags, they rose, and, enumerating their Lord Yorikane's crime in a memorandum of thirty-three articles, dispatched messengers to Edo to present their case to the Ministry. The Shogunate decided to confiscate Yorikane's fief, reducing his family to commoners, at the same time beheading two of the ringleaders of the farmers and exposing the heads to public view, while ten others were also beheaded.

INSURRECTION IN BUNGO.—In February 1746 the farmers of ten villages of Bungo who lived on the Shogunate's land, banded themselves together and, electing as their chief Rokurozayemon Anai, a head-man of Mayahara, appealed directly to the Shogunate against the tyrannical measures of its commissioner, the main points of their plea being as follows :—

1. Since the Genroku era, although time and again the rate of taxation has increased, it is a gross injustice with the arrival of the present commissioner, Shodayu Okada, to increase the rate further by 2 per cent. under the pretext that this was the desire of the farmers and petitioned for under their joint seals.

2. The new taxes which were levied in the present year have never been in existence in the past and shall be abolished.

3. The warehouses of the villages were free from taxation in the past but have recently been included in the tax list, which is unjust and shall be abolished.

4. In order to put into practice the new tax law, the old records were copied, and the people were much worried and cultivation hindered by being ordered to sketch and survey, note boundaries, and so on.

5. In order to put into effect the new tax regulations, notwithstanding it's being harvest time, officials, their relations, and subordinates visited the towns and sojourned for two or three days, hampering work to a great extent.

6. The so-called perpetual barren lands were previously free from taxation, but recently there has been an attempt to make these lands subject to taxation, and, if opposed, the commissioners have threatened to survey the land, which is a highly objectionable measure.

7. In spite of the continued poor harvest since the arrival of the present commissioner, taxes were collected on the pretext of bumper crops, and a new tax in silver levied. This must be suspended.

8. Although it was the order that all rice shall be delivered to Nagasaki between October 1st and the early part of December, there is really no need for such haste. However, this point was keenly pressed, and the farmers had to hire post-horses at a great expense.

9. During the terms of the previous commissioner, whenever river embankments were destroyed they were repaired at public expense, but since the appointment of the present commissioner nothing is done, which causes great inconvenience to cultivation.

10. The present year being a hard year we desire to borrow provisions for next year.

This petition they dared to uphold by insurrection.

THE UPRISING IN HYUGA.—In July 1759 the farmers who were under the jurisdiction of Yuhi, commissioner of the Shogunate's domain in Hyuga, were taxed so heavily that they conferred and started a rebellion. The commissioner was not able to cope with the affair himself, and the riot was suppressed by the help of the armed support of the Lords of Noto and Awaji.

In 1764 the farmers of Yawata-yama, Musashi, rose against the heavy assessment of the officials, and proceeding to Kaminagawa, they issued a manifesto to the surrounding country, which brought to their aid the farmers of Kozuka and Shimosuke. Everywhere they assailed the wealthy, plundering gold and provisions, and causing death or injury to hundreds who tried to oppose them. Their numbers rose to over 200,000, and they finally reached the post-town of Warabi, where they were met by troops from the neighbouring clans and dispersed. The number of those arrested and sent as prisoners to Edo was so great that they overflowed the prison at Demmacho, and some had to be sent to the detention-houses at Asakusa and Shinagawa.

The Order to repress the Farmers.—The peasants, in spite of all severities, showed no signs of settling down, and in 1769 the Shogunate issued an order, which in part read :—

> It has been learned that the farmers of Kamigata are coming together to oppose the authorities, and every effort should be made to suppress them. If, in spite of all efforts, they do not settle down, they should be arrested. If the lord of the domain is unable to handle the situation single-handed, the combined efforts of the Shogunate troops and his own should be devoted to seizing the farmers and delivering them to the commissioner, lord of the domain, or head of the territory. However, precaution should be taken not to use firearms.

This gives an inkling how rampant and threatening the feeling in the Kinki districts was. In February the Shogunate again issued a more severe order, which forbade consideration of farmers' petitions, right or wrong, and showed very clearly the seriousness of the situation.

The Farmer Riot of Karatsu.—In 1771 there was a rebellion of farmers in Karatsu, Hizen. The head of the clan at the time was Tadatoshi Mizuno, but the administration rested in the hands of two men, Ogawa, a local official, and Katoji Matsuno, the Shogunate's commissioner, who wanted to increase the assessment of Iikawa, Sunaoshi, Mizuarai, and Yoshachi, previously free lands, by which they estimated to increase the revenue by 15,000 bales. They also decreed the compulsory planting by the farmers of 30,000 paper mulberry-trees. The chief retainers, Genzayemon Kigo and Saburoyemon Mizuno, afraid of agitating the people, were at first opposed, but finally gave in and adopted the plan, as it was the will of the majority in the conference. However, the farmers refused to comply with the order and clamoured against it. The case excited the different towns, and on the 12th of July, without any special demonstration, a manifesto was passed round asking the people to assemble at the pine-grove of Niji, anyone hesitating being threatened with the red ox, which meant that their houses would be set on fire. On the night of August 20th over 10,000 farmers set out for the pine-grove, and the fifteen villages of the adjoining Shogunate domain joined in support. The clan chief was taken by surprise, and bade two of the head townsmen address the assembly, and ask them to make a petition in written form, if they had one to make, and then immediately return to their respective villages, " but the whole mass remained still without commotion." They finally made public their petition for the suspension of all the new taxes, pinning it on to bamboo poles. Having read the demands, Matsuno faced the crowd and read the riot act as follows :—

> Although your insolence in violating the law and lack of respect for your superiors shown in organizing such a demonstration are unpardonable, yet we will overlook it for the present. In the name of the clan chief, I command you to return to your respective houses.

One of his hearers gave a loud laugh, followed by 10,000 others, mixed with the clapping of hands. Many other officials followed Matsuno in an attempt to persuade the crowd to disperse, but the people still remained silent, for the plans for this demonstration had been well and minutely laid days before it took place, all who took part in it being bound by the following agreement :—

> 1. We shall not speak or yell to our superiors anything that will not be to our benefit.
> 2. We shall be silent whenever the officials urge us to return home.
> 3. We shall not fight among ourselves whatever may be the circumstances.
> 4. Any suspicious person found in our midst shall be arrested and immediately subjected to close examination.
> 5. Anyone who falls ill must choose a proxy before returning home.
> 6. Unless the petition be accepted as a whole we shall not disperse whatever may happen.
> 7. If anyone of our number be arrested we swear that we will resort to such means as have been decided upon.
>
> We hereby swear that each and every one of us in the army of demonstration will observe the aforesaid rules.

The " army " moved in three groups with three feet between each, which served, first, for the convenience of the leaders in making their rounds for giving commands, and second, as a means to detect any clan detective who might attempt to join. Each group had its own emblem in order that the members of it might find it easily, and complete silence was their weapon. Only after attack by the officials would they resort to physical opposition. The number which assembled was estimated at 23,000, and perceiving how successful the farmers were, the fishermen joined them, and demanded that the new fishing duty should be suspended.

With every new day the power of the mob grew, until the clan chief, fearing official criticism for inefficiency, requested the crowd to disperse on the understanding that he would concede every demand.

The farmers returned to their homes, and after a few negotiations between the clan chief and the head-man, a final understanding was reached, but Saiji Tomita, who had formed a disciplined army out of the peasantry, bound them to a common cause and formed the policy of silent opposition, was arrested and beheaded, after the agreement was concluded. His disconsolate followers secretly enshrined his remains as those of a saint, and the shrine known as Shori of Heigen-mura still exists to the present day.

YOSHIMUNE'S EXTORTIONS TROUBLE TANUMA.—What has been narrated was all the result of the extortions of Kyoho, which were previous to Tanuma's time. He was not to blame for the farmer riots, and, indeed, in his time there was no such oppression and the tendency of the administration was towards lenience. However, the people who abused him were lost to all memory and judgment, and laid upon him entire blame for the uprisings. In truth, Tanuma's failures lay in another direction. When he found out that measures of extortion did not in any way enrich the coffers of the Shogunate, he listened to various hare-brained schemes, and adopted new means of collecting revenues, which all failed. He planned, for instance, to levy a consumption tax on raw silk and silk goods, establishing revenue offices in the provinces of Kozuke, Shinano, and Shimotsuke, the centres of silk-weaving and silk-raising, to inspect the goods and to issue a certificate before they could be marketed. The fee was 2 bu 5 rin of silver for one roll of silk fabric, and 5 bu for every 100 momme of raw silk, payable by the buyer. All such goods dealt in without the certificate were to be looked upon as smuggled articles and liable to confiscation. Instant opposition arose to this scheme, and a mob of farmers and traders from 53 villages, and numbering 3,000, invested the castle of Takasaki, and refused to withdraw although fired upon by the garrison. Their demonstration proved successful, for inquiry proved that they felt themselves forced to the step by the threatened loss of their livelihood, and the new system of taxation was abandoned.

TANUMA'S SCHEME OF TRIANGLE PROFITS.—Another of Tanuma's schemes was what he called "triangle profits," which, he declared, would benefit the Shogunate, the daimyos, and the traders. His idea was for the Shogunate to borrow in Osaka, and lend the money out to the daimyo, taking for itself one-seventh of the accruing interest. This would make the Shogunate the central figure in the banking system, for, although the capitalists were really the wealthy merchants, as the Shogunate supervised the use of their funds, it was the same as if they were Government funds, and since the Shogunate was the creditor, the daimyos had to repay the loans. It would be a safe form of investment for the rich, while the daimyos were accommodated, and the Shogunate also enjoyed a portion of the profits. However, although a few of the wealthy men gave up a portion of their wealth to the Shogunate as a tribute since they were not in a position to refuse, the majority refused to comply, maintaining that it was nothing less than confiscation of property. Tanuma accordingly drafted a new regulation, which may be called a compulsory public loan, on June 29, 1786. The law was as follows :—

To the Treasury Department of the Shogunate.

Capital in recent years has become tight, and on this account many daimyos are suffering from the lack of it. To bring about better circulation it would be well for you to arrange loans in accordance with the following suggestions :—

With the exception of the monasteries and shrines presided over by princes of the blood, and nunneries of the same category, all other important temples and shrines should, under the new law, offer a sum not less than 15 ryo. They must instruct their subsidiary temples and shrines to take of the loan an amount according to their respective ranks.

All persons possessing a property of 100 koku shall put up 25 momme of silver—this applies to the farmers residing in the Shogunate or private territory.

N.B.—All persons who have previously provided a certain amount shall be excepted.

A sum of 3 momme of silver for every ken of house frontage—this applies to traders.

The amount stipulated shall be collected for five years, beginning from the present year, and the principal loaned to the daimyos, underwritten at Osaka and bearing an interest of 7 per cent. For security Osaka rice certificates negotiable in that city and bonds of village annuities shall be issued. In case of redemption the rice certificates shall be exchanged for rice according to the laws governing the same, while the village annuity bonds shall either be taken into custody by the nearest Shogunate official or be paid in goods held as security. It goes without saying that whenever the loans have fulfilled their purpose the sum accommodated shall be returned to the subscribers with interest at 7 per cent. after deducting the expenses in Osaka. Hence every effort should be made to raise as much as possible, as per the stipulations aforementioned. With respect to the paying in of the loan the temples and shrines shall do so within twenty days after the head temples and shrines decide the amount due from each of their subsidiary organizations. Farmers and traders shall pay within twenty days after receiving notification. After payments are made for the first year, the second and remaining instalments shall be paid within January of the next year. The subscriptions shall be paid to the representing official or the custodian of the loan within the domain of the Shogunate's territory and to the clan chief or head-man of the territory in the daimiates, while in Edo and its environs payments shall be made to the Shogunate's financial agents, the Mitsui Company and the Uyeda Company. In Osaka and vicinity all sums shall be paid to the Mitsui branch and the Uyeda branch.

According to this law, farmers possessing 100 koku had to subscribe 25 momme of silver, while the traders had to pay 3 momme of silver for every ken of house frontage, and the temples and shrines, with the exception of the monasteries and nunneries affiliated to the Court, had to pay 15 ryo for five successive years. The Shogunate took charge of the total amount of the loan, and handled the business of lending to the daimyos at 7 per cent. per annum. The expenses in Osaka were deducted from the accrued interest, the surplus of which was to be given to the investors, while after five years the loan was redeemable. Just as under our present-day system loans are entrusted to banking institutions, the payments in Edo and Osaka were entrusted to the Mitsui and Uyeda organizations.

Reasons why Tanuma made Enemies.—Tanuma may not have been a mirror of virtue, yet it is impossible to brand him as totally dishonest and always attempting to feather his own nest. However, the times were chaotic, the psychology of the nation benumbed, the officials inefficient, while the administrative organs were at the nadir of corruption. In such a situation, new laws, new orders, and what not were useless. This was the reason for his failure, although his policies aimed at reform and he meant well, most of the evil spoken of him by his enemies being pure inventions. Nevertheless, rumours and insinuations are sometimes more dangerous weapons than facts, so finally Tanuma began to be uneasy, and desired too late to make a truce with his enemies. He first tried to bring about an understanding with Iyeharu's favourite concubine, Lady Tsuda, inviting her to a banquet at the Hama Detached Palace, but Yata, lord of Buzen, told the lady that her host planned to poison her, and she therefore declined to go. In great irritation, Tanuma condemned Yata, who committed suicide, and the incident gave the Lord of Mito a pretext to assail the minister. In August 1786 Iyeharu's illness took a very bad turn, and Tanuma ordered his favourite physician, Keijun Hayashi, to attend him, but it was of no avail, and the Shogun died on the 20th. The Lady Tsuda at once accused Tanuma of having poisoned Iyeharu in order to take advantage of the youthfulness of his successor and grasp all the power, and when Tanuma protested, she drew a dagger and attempted to stab him. In the meantime the three important Tokugawa branch families met and conferred, and to cut out Tanuma appointed as a guardian to the young Shogun, Sadanobu Matsudaira, lord of Shirakawa. Thus Tanuma fell, and his schemes of triangle profits and others were entirely abandoned.

CHAPTER LXIX

THE GREAT REFORM OF THE CURRENCY SYSTEM IN THE MEIWA (1764–71) AND ANYEI (1772–80) PERIODS

The Growth of the Bimetallic Standard.—Most of the historians of the past, when discussing the question of the currency system of the Tokugawa era, lay stress upon the minting of debased gold and silver coins during the Genroku era and the currency reform of the Genbun eras, attaching to them more importance than is their due. The outstanding event in the history of money during the Tokugawa period is undoubtedly the currency reforms of the Meiwa and Anyei eras, whereby the equivalent of gold was officially set at a certain quantity of silver coins and not based on weight, or, in other words, a bimetallic standard was adopted. In the Kamigata districts from the Ashikaga period there had already existed a weight ratio between gold and silver, and when the Tokugawa Shogunate began to mine gold largely in the east, and made gold coins in great numbers, the silver standard of the Kamigata and the gold standard of the east became two opposing systems, which opened a door to speculation in exchange fluctuations. According to the practice of the day, when payment in Osaka was made in gold, the amount was computed according to the silver basis ; while in Edo, when payment was made in silver, it was computed in terms of gold. In the Meiwa and Anyei periods the Shogunate, for the first time, turned out 2-shu silver coins, ordaining that 8 shu should be equal to 1 ryo of gold, regardless of the comparative convertible value of the respective metals. For the first time, then, there came into existence a denomination of 1 ryo, which permitted equal transactions whether paid in gold or silver. This was a unique and insignificant reform in the annals of the country's currency system.

The Motive of Tanuma's Currency Policy.—During the Meiwa and Anyei periods, the reins were held by Tanuma, who, though uneducated, was smart and efficient enough to follow the trend of the times. If from one point of view we may say that he adopted the bimetallic system, from another it may be said that he established a system under which silver might replace gold in payments, in no way anything but a clear-sighted measure. It failed for two reasons. In the first place, the merits and demerits of a system depend upon the *modus operandi*, so that a verdict cannot be cast by discussing the good or bad of the system itself, and the new rules made bad worse largely on account of the lack of efficient officials and the weakness of the Shogunate's credit. In the second place, although the idea was a good one, the underlying motive, just as in the Genroku debasement of the coinage, was to fill the Shogunate coffers by making silver an auxiliary medium of exchange, supplementing gold. For this reason the people refused to comply, and the officials were obliged to abandon this wise system and try to attain their end by some other means.

Five-Momme Silver.—In September of 1765 (3rd year of Meiwa), the Shogunate issued for the first time what was called 5-momme silver coins, similar in quality to the Monji silver, and tried to circulate them at 60 momme for twelve pieces. It seemed as if the authorities had no decided policy, but merely desired to circulate the new coins on the silver basis. However, in December of the same year, an order was abruptly issued making the new denomination an auxiliary medium of the gold coins.

> From henceforward the exchange value of 5-momme silver shall be 60 momme to a gold ryo regardless of the silver value. Three pieces of the denomination shall be equal to 1 bu of gold and twelve pieces to 1 ryo of gold, and it is hereby ordered that buyers and sellers shall make transaction without hesitation on this basis.

This ratio was lower than the market price, and the decree meant that holders of gold were faced with certain loss. As a natural result, the silver was not welcomed and mostly found its way to the counters of the money exchanges, where it stayed. The Shogunate was at a loss how to meet the difficulty, and finally it had to concede, and agreed to exchange silver to gold whenever the exchangers brought the silver coins to the treasury, thus admitting their failure. At the same time, the price of gold went up when the daimyos were ordered by the Shogunate to contribute for the rebuilding of the Imperial Palace in Kyoto, and the demand for the precious metal increased. In September 1772 the price of 1 ryo of gold was exchanged for 70 momme of silver.

The Casting of Nanryo Two-Shu.—As if to keep down the price, the Shogunate issued during the year a new form of coin known as Nanryo 2-shu silver, and in order to fix the exchange value at eight pieces to the ryo, the following decree was issued:—

> We announce the issue of a new coin of 2-shu denomination under the name of Nanryo, which shall maintain an exchange value of eight pieces to the ryo, while, at the same time, Monji silver shall be exchanged according to the current market value.
>
> 1. The charge for the exchange of the 2-shu silver shall be made as in gold exchange.
>
> 2. Unlike the Monji silver, the 2-shu silver is packed at the Gin-za.
>
> We therefore command that the 2-shu Nanryo silver shall be circulated at gold value, and the order should be strictly observed.

As specified plainly by the foregoing order, the Nanryo 2-shu silver did not go by the name of silver, but was known as Nanryo only, and an attempt was made to circulate the coins as gold by order, at the same time imprinting on the face the words, "Eight pieces to the ryo," a suggestion made by Kawai, lord of Echizen, the Accountant Commissioner of the Shogunate. This new coin went into use in the eastern portion of Japan, as the markets were used to the circulation of gold, whereas in the Kamigata districts the people hesitated, so that it was unsuccessful. In June 1773 (2nd year of Anyei) the Shogunate issued the following order, which attempted to enforce the circulation :—

The 2-shu coin may be used in paying Government taxes, and, as far as its exchange value is concerned, it shall be accepted just as gold. While it should be that the exchanger should pay the premium when he is selling, and receive it when buying, it seems this rule has been confounded in practice. Henceforward, the selling premium shall not exceed 4 bu, nor the buying discount 8 bu. The exchangers have been notified to this effect.

THE METHOD OF CONVERSION BETWEEN THE NANRYO AND ORDINARY SILVER IN CIRCULATION.—Again, in December of the same year, an order was issued defining the exchange ratio between Nanryo and ordinary silver coins, at the same time attempting to urge the circulation of the new coin as gold.

The Nanryo silver was minted for circulation throughout the country, and up to the present has been exchanged at 10 against 25 ryo of ordinary coins of silver denominations which have a ratio of eight pieces to the ryo, according to the gold value. Although the exchanges have been notified that exchange fees shall be 4 bu for selling and 8 bu for buying, in practice it has been found that further discounts had to be made, so that Nanryo does not circulate at its par value. The offenders should be subjected to punishment, but as the system is quite new, no investigations or arrests shall be made, for it may be that the offence is due to the culprits not being used to the new order of things. Hereafter, the following rules shall be observed :

As first decided, it shall be circulated as gold. In case of exchanging, it shall be given the gold value. If the exchangers do not follow the order, and if any discounts are made as against gold, the case shall be investigated and offenders duly punished.

THE QUALITY DIFFERENCE BETWEEN NANRYO AND ORDINARY SILVER COINS.—Now, the standard in the Kamigata district was on the silver basis. Especially in the gold quotations of Osaka, with the exception of its exchange relations with Edo, the gold coins had only the value of the quantity of gold in them. Hence, when the

Nanryo coins were of silver, but circulated as gold, they could not be given the same consideration. One piece of Nanryo weighed 2 momme 7 bu 5 rin, and was of almost pure silver. According to a pamphlet known as *Tsuko*, eight pieces of Nanryo were estimated to be equivalent to 55 momme of ordinary silver coins. On the other hand, the market value of gold was about 70 momme of silver, and the actual value of Monji silver at the time was about 460, which means that in a kwamme of Monji silver the weight of silver constituting it was given at 460 momme. This would make 10 momme of pure silver equivalent to 21 momme, 8 bu of ordinary silver coins. If 60 momme of Monji silver were equal to 1 ryo gold, this would be equivalent to ten pieces of Nanryo. In order to give eight pieces of Nanryo the corresponding value of ten pieces, it would necessitate another debasing of 25 per cent. In short, the first cause of the failure of Nanryo is the gold value rising beyond 60 momme, which means that the proportionate value of gold and silver was rather too high ; and the second, the fact that 60 momme of Monji silver and eight pieces of Nanryo had a difference of pure silver as ten is to eight. The third is, that eight pieces of Nanryo would be quoted at 55 momme, yet the market value of the gold was 70 momme. Fourth, if Nanryo had been of some other material, its value could have been calculated on the basis of something other than gold or silver, but as it was, it had to be compared always against Monji silver. The above causes worked together to make the circulation of Nanryo in Osaka very discouraging, and to stimulate it the Shogunate issued the following order in August of 1774 :—

> It has been learned that the circulation of the 2-shu coin in Osaka has been very bad, including the transactions with the Edo tonyas, but it has been decided to increase the issue of the coin and forward to the Shogunate's treasury in Osaka. Not only shall the payments of the various tonyas made with this denomination be perfectly good, but, further, due attention shall be paid to facilitate the circulation.

THE CONDITIONS OF NANRYO CIRCULATION.—Besides the preceding order, the Shogunate in September not only limited the issue of the silver notes by the various clans, but proclaimed the restriction of the market in order to create a foundation for the Nanryo currency. In November, to encourage the habit of using it, the Shogunate loaned certain amounts of Nanryo to exchangers of Osaka, but whatever endeavours were made, the coin could not be given the exchange value of eight pieces to a ryo of gold, and the quotation remained ten pieces to 1 ryo. In 1780 a ryo worth of Nanryo fell to 51 momme of silver, accompanied by a fall in the gold quotation from the 70 momme of 1772 to 57 or 58 momme. In 1782 or 1783 it maintained a level of 60 momme, but again fell to 51 momme in 1780, while in 1787 it rose to 54 and 56 momme.

The Death of Tanuma creates the Rumour of the Abolition of the Two-Shu Coin.—While the results of the issue of Nanryo 2-shu were yet in question, in 1787 Tanuma was dismissed from office, and when Sadanobu Matsudaira, known as Shirakawa Rakuo, took his place at the head of the Council of Elders, the nation believed that the new head was a strong advocate for the abolition of all the Tanuma policies, so that no sooner had he taken the oath than it was rumoured that the Nanryo coin was to be withdrawn. In Edo the holders of Nanryo desired to get rid of whatever they had, and the exchangers' premises were almost in a state of siege. One piece of Nanryo declined to 457 sen of copper coin; and while Edo was in such a state, in Osaka the rumours caused a short fall in the gold quotations. For this reason the Shogunate, in April of 1788, issued a notice to the effect that although no new issue of the Nanryo 2-shu would be made, the denomination was not to be withdrawn. The notice read :—

> It has recently been decided to suspend further issue of the Nanryo and to replace it by Cho silver. However, the Nanryo now circulating shall continue to do so indefinitely. Further, it would be well to notify the cities of Edo, Kyoto, and Osaka to maintain a normal price of various articles. Moreover, in the remote regions Nanryo coin has not as yet found its way, and, hereafter, there shall be no fear about relying on the coin as a medium of exchange. This shall be notified to every part of the land, the Shogunate's domains, the clan chiefs, their shrines, and ecclesiastical domains.

We see thus how Sadanobu, who opposed Tanuma politically, economically had to follow in his predecessor's steps. However, in December of the same year a new order was issued making the Nanryo coins an extraordinary reserve money, which seems as if Sadanobu believed that they were too good for ordinary use. The order was as follows :—

> In recent years the unstable value of gold and silver has had a very inconvenient effect on the prices of commodities, so that it has been thought fit to recall to the mint all the Nanryo in circulation and replace them by new denominations. The Cho silver, which has been held as reserve, shall be released, and the 2-shu shall be held in reserve instead.

Additional Issue of Nanryo Two-Shu.—Although the quantity of the Nanryo 2-shu was thus greatly diminished, in the eastern district it was looked upon as very convenient, and more people began to use the medium. Moreover, since Sadanobu himself issued orders encouraging the circulation of Nanryo, it may be seen that the issue was an opportune one, and we find again in the year Sadanobu retired from office, the Shogunate commanding further minting of the coin.

The Success of the Nanryo Two-Shu.—In spite of the unpopularity of the Nanryo 2-shu in the Osaka districts when it was first issued, we may be sure that it fulfilled the requirements of the times when we find the nation at large finding much convenience in the medium, and the market began to suffer from shortage when the quantity was diminished. At the same time, the market lacked gold coins, so that the value rose, and the Nanryo currency, which was intended to supplement gold, began to fill the gap and met with greater demand. In the Kwansei era (1789–1800) eight pieces of Nanryo exchanged for a ryo of gold without any extra premium, a queer prank for destiny to play against Sadanobu Matsudaira, the reformer of the Tanuma administration. In 1809 Muren Fukuda boldly suggested to the Shogunate to abolish the issue of the more genuine Cho silver, and issue instead the Nanryo 2-shu. Without commenting in any way on the argument, an extract is herewith given from a pamphlet of the day, to give the readers an idea of the currency conditions of the period :—

"Koban, Buban, and Nanyro had no difference as a medium of exchange, but since two out of every ten Koban were usually cracked, people disliked them, while the Buban was so small as to make it inconvenient to handle, so that everybody favoured the use of Nanryo. It is a fact that when Nanryo was first put on the market the public preferred Koban and Buban, as they were used to them, so that when exchanging they usually turned in Nanryo coins ; but when they found the real convenience of Nanryo, the use of the coin spread to all parts of the land ; its popularity brought about a shortage, and those who exchanged Koban gold for Nanryo silver had to pay a fee, showing how convenient the Nanryo denomination had become. The Cho silver is already out of circulation among the agricultural and commercial classes of the east, and only found in the Kamigata district. The inconvenience may be seen from the declining level of the silver quotation. If all the silver were recast into Nanryo there would be no difference in the quality, an inconvenient basis would become a convenient one, and, further, a gain of over 6,000,000 ryo in gold and 400,000 kwamme in copper coin be realized. The exchange value of Cho silver against 1 ryo of gold at present is approximately 66 momme, and when this 66 momme, the value of 1 ryo, is melted down, we find it is 50 per cent. silver and 50 per cent. copper, or 33 momme each. On the other hand, a piece of Nanryo weighs 2 momme 7 bu, and eight pieces weigh 21 momme

6 bu, and if the aforementioned 33 momme were cast into eight pieces of Nanryo there would be a balance of 11 momme 4 bu, or more than enough to mint four Nanryo. We are told that the total amount of gold and silver coins turned out up to the end of the 8th year of Genroku was computed at about 800,000 kwamme of silver. If this be so, then, at the present rate of exchange of 60 momme, the amount would be 12,130,000 ryo of gold. If this 800,000 kwamme of silver be melted we should obtain 400,000 kwamme each of silver and copper. This 400,000 kwamme of silver may be cast into Nanryo coins to the number of 148,148,418 and valued at 18,500,000 ryo of gold. Deducting the cost of 12,120,000 ryo from the foregoing figure, the balance in profit would be over 6,380,000 ryo, besides the 400,000 kwamme of copper."

It is clear, then, that after all the Nanryo 2-shu introduced by Tanuma was, in general, a success. Up to its issue there were only two kinds of gold coins, viz. ryo and bu, but with the new money a denomination of shu was created under bu, and what used to be only a nominal currency became now a real medium. This creation of currency, and the narrowing down of the sen circulation, were two prominent facts which left no room for criticism. The reason why this system did not continue to be a success up through the Bunsei (1818–25) and Tempo (1830–43) eras was due to the fact that the authorities, tickled by the success of the nominal currency system, went on to debase the coins as a means to profit the Shogunate.

The issue of Bronze Four-Mon Sen.—The second step in currency reform of the Meiwa and Anyei eras dealt with sen. A new denomination of 4 mon was minted from bronze, which took the place of the 1-mon denomination of the past and caused a decided change between the corresponding value of sen currency and others. Since the Genbun era (1736–40) sen currency had commanded a higher exchange value against gold and silver coins, because it was scarce, so that licence was granted for the establishment of sen mints in different parts of the country in order to increase the supply, a fact which has already been dwelt on in the chapter on the Genbun currency reforms. Nevertheless, in 1764 the sen exchange rose again to 2 kwamme 800 to 900 momme against 1 ryo of gold, due once more to the scarcity of the sen, creating difficulties in transactions. The Shogunate officials attributed the tendency to manipulations of the sen exchangers, and in the 1st year of Meiwa (1764) these men, 593 in all, were summoned and reprimanded. Each one was ordered to pay a fine of 10 kwan-mon, but a certain Nagayoshi, who was found to have stored 400 kwamme of sen, was mulcted in 30 ryo. Whilst punishing the exchangers, the authorities at the same time tried to increase the quantity of sen, and as there was a shortage of copper they had recourse to iron.

IRON SEN AND BRONZE SEN.—The enormous output of the iron coins of Meiwa was supervised by Shozaburo Gotoh at the gold guild, but the quality was exceedingly inferior, and it is said that they even contained clay. The public grumbled vigorously, and in 1768 the Shogunate for the first time ordered the silver guild to cast new bronze 4-mon coins, which were well received.

THE ISSUE OF VARIOUS COINS AND THEIR DEPRECIATION.—In 1767 the gold guild was ordered to mint small-sized copper sen, but as the expenses were very heavy, the work was given up. Next year a licence to cast copper and iron sen was granted in Nagasaki, and many other places, and an abundant supply became available, with the result that the prohibition of iron sen exports was lifted. "Although the outward flow of sen denominations from Edo has been hitherto forbidden, as an iron sen guild has been organized, and at the same time the output of bronze sen increased, it is hereby permitted to trade freely in the coins in question without any restriction." As the supply was bigger than the demand, there followed a sharp break in value. It is said that within the period between 1765 and 1773 the amount of iron sen in Edo and Fushimi was computed at 3,680,000 kwan, and there was over 200,000 kwan-mon of bronze sen, and it seems that as the iron and bronze materials were of cheap quality the exchangers would only give a low price. The disposal value of the Fushimi iron sen was 4 kwan 350 mon to the ryo, or less than the market value of 4 kwan 200 mon quoted in the early years of Meiwa. The disposal value of bronze sen is not available, but according to a memorandum of the gold guild their contract price with the Shogunate was over 1 ryo 1 bu of gold to every 10 kwan weight of mon coin. The redundant supply and the depreciation of the value of the base metal both went to decrease the value, so that in 1770 1 kwan weight of mon was quoted at 12–13 momme, and in the 8th year of Anyei it further declined to the 10-momme level. For this reason an order was issued in 1774 suspending iron sen and decreasing the output of the bronze sen to one-half.

SUSPENSION OF THE OUTPUT OF BRONZE SEN.—In 1784 Lord Daté was granted permission to cast sen in his domains, square in shape, stamped as Sendai coin, and limited in circulation to his own domains. This enhanced the effects of the redundant supply of sen, until finally, in 1788, an order was issued absolutely prohibiting all new minting of bronze sen. This, however, did not stop the decline in sen value, and in 1789 we find the quotation about 9 momme.

THE RISE OF PRICES MAY BE ATTRIBUTED TO THE SEN.—This downward tendency of the sen after the Meiwa and Anyei eras was at first thought to be advantageous to the samurai, who disposed of their rice in silver and were able to obtain a higher price when calculated in terms of sen, as the value of sen was low, and when the prices of commodities sold on sen basis were not yet so inflated. On the other hand, the petty traders and labourers were unfortunate in that their terms of payment were in sen, and when it was exchanged for gold and silver they were badly hit, particularly as they had to pay house and land rent, for food and clothing, etc., on the silver basis. Naturally they had to raise their prices and demand higher wages to balance the difference. Prices, therefore, gradually rose, and finally the warrior class had also to suffer from the situation. The root of the inflated prices of the period can in fact be found in the fall in the exchange value of the sen.

CHAPTER LXX

THE RESTORATION UNDER RAKUO SHIRAKAWA

Sadanobu Matsudaira favourably received.—The successor of Tanuma, Sadanobu Matsudaira, who was to be known to posterity as Rakuo Shirakawa, was welcomed with enthusiasm by the nation. He belonged to one of the three branches of the Tokugawa family created by Yoshimune, the eighth Shogun, in imitation of the Imperial Family at Kyoto, which was surrounded by princes of the blood. He was no prodigy of statesmanship, but a man of moderation and integrity, and although not formed by nature to captivate the heart of a nation, his upbringing and high-mindedness placed him high above the other statesmen of his day.

Every one had been disgusted with Tanuma and did not seem to care much who succeeded him, but when Sadanobu was appointed, people were genuinely pleased, and looked forward to reform. His first act was to confiscate Tanuma's 20,000 koku of revenue, at the same time disabling him from serving the Shogunate in any capacity. His estate in Osaka and residence of Edo met the same fate, and he was ordered to leave the city within three days. Hidemochi Matsudaira, the Minister of the Treasury, who had suggested and carried out Tanuma's policies, was also dismissed from office and his income of 500 koku reduced by half. Every one was delighted. One of the elders of the Shogunate Council, Tadatomo Mizuno, and the Minister of Shrines, Ohta, fearing their turn might come next, freed themselves from their marital ties with the Tanuma family and so reported to the Shogunate, for even the samurai worshipped the rising sun. The first law passed by Sadanobu as an executive contained a clause prohibiting the hatamotos from fawning on their superiors; many of them had been used to call twice a day to ask after the master's health, for no samurai had dared to stand alone and courted favours by flattery.

Sadanobu's attempt to reform Public Morals.—Sadanobu flattered the hopes of the people by abolishing the iron, bronze, and day-labour guilds, all organizations with special privileges, and of no other use except as sources of revenue to the Shogunate, but when in his zeal he planned to revive the administration of the Kyoho era, one hundred years before, the more enlightened began to shake their heads. As a means to bring back the conditions prevailing in the Kyoho era, he restricted the luxury of the elders, those with incomes of less than 10,000 koku were not permitted to order new clothes and had to wear what they had, regardless of their age. Except at festivals no one was allowed to wear garments of white silk. For the over-garment no striped fabrics had been hitherto used, but hereafter this style was permitted; woman's apparel was to be the same. Unless absolutely tumbling to pieces, or as the result of some accident, no one was allowed to build or repair a house, and to enforce the decree a penalizing bill was passed, a copy of which was distributed to the feudal retainers. The minister further desired to apply the law to the commercial class, and prohibited their wearing expensive clothes at home. Any who wore garments unsuitable to their means were summoned to the commissioner, accompanied by the local official, and punished according to law. The decision as to whether certain standards were befitting to the wearer or not was left to the sole judgment of the Shogunate officials. The use of expensive paper for petitions to the Shogunate, or when binding books for the use of the Shogunate, was prohibited, and the use of paper of the lowest quality enjoined. In the making of toys, dolls and their paraphernalia, battledores and toy bows for commoners, the use of gold and silver leaf was forbidden. Expensive cakes and sweets were banned, also the wearing of costly robes by Nō actors, the use of gold and such rare materials to decorate pipes, women's cotton-lined garments costing over 300 momme silver, and dyed and embroidered garments costing more than 150 momme silver. No doll was to be more than eight inches high. In order to practise what he preached, when engaged in his daily work at Court, Sadanobu wore plain dyed clothes in summer, with a coat made of hemp and a skirt made from common linen. To encourage loyalty and filial piety he honoured many by publishing their names throughout the country, while, on the other hand, delinquent and corrupt officials or household scandals were closely examined or investigated and strictly punished. He lauded Lord Harunori Uyesugi for his high standard of administration, and by such methods he desired to teach the lords what to imitate and what to avoid. In all this he did his best to inject discipline into official circles and make justice pure.

SADANOBU'S PHYSIOCRATIC PRINCIPLES.—The minister was bitten with the notion which occurred to every statesmen after the Kyoho era at least once, i.e. the desire to limit the cities and develop the agricultural districts. To achieve the purpose the peasants who had immigrated to the towns and cities were counselled and persuaded to return to their native soil, and those who were unable to return for lack of funds were granted the amount by the Shogunate. He further desired to reform the conventions and formalities of the Government, and in order to ascertain the feeling of the nation a certain freedom of speech was allowed. Mixed bathing in public bath-houses was forbidden, and anyone found keeping prostitutes in the country villages was liable to have his land taken over by the Government for five years, and the revenue from it given towards the aid of the poor. The prostitutes were to be freed and sent to localities where women were in a minority, and married. In all this Sadanobu was just treading in the footsteps of his predecessors without any new significant departure in the basic idea, which is nothing more than reaction, and many who expected a great deal from him were discouraged. In his twenty-sixth year he had tendered a thesis to the county commissioner of the territory of Shirakawa, known as the *Twenty-two Paragraphs on Physiocratic Teachings*, and ordered that at any public assembly this pamphlet should be lectured upon, but its teachings were not especially new since they were compiled from the collections of the physiocratic precepts which appeared in old times. Within his twenty-two precepts was one that small farmers above thirteen years of age shall not indulge in reading and writing, an idea of quite a negative nature. However, when compared to the various other daimyos who were only earnest in extortions and did not even issue such precepts, we may note his predominant personality, and it was said that his acts produced good results. When famine was raging in 1784 in the north-eastern section, and amidst such times of difficulties in clan administration, he attended to the work with great earnestness, laying thus the foundation of his ideas on civil administration. Three years later, when he was called upon to govern the whole country, he immediately attempted to practise the ideas obtained through his own experiment, and it cannot be gainsaid that in so doing he ran counter to the tendency of the times.

NO ELEMENT ON THE SIDE OF SADANOBU.—In spite of the fact that no element in society helped him, and he had to bear the burden alone, he did achieve something, and luxury was curbed to a certain extent. Not even religion was on his side, for the principal shrines and temples permitted prostitutes within their very precincts as an extra attraction to pilgrims. Nothing seemed too small for him. To cut down unnecessary Court expenses he suggested that the long dangling strings of the letter-boxes used by the ladies should be reduced in length, but the ladies refused to obey, maintaining the length of the strings signified the everlasting prosperity of the house. Certain profligate retainers he exiled to Koshu, but these rascals, finding that exile released them from the payment of large debts, went off to Kofu as pleased as could be. His very punishment was received as a boon, and he got no help from the criminal law. To encourage education to help in the work of reform he initiated a system of prize examinations which did not meet with approval. Dissipated profligates, who up to yesterday cared for nothing but wine and song, attended lectures and within forty or fifty days, after having learned by heart what they had heard, submitted themselves for examination. In this ordeal, repeating what they had been taught word for word, they were allotted the highest mark. On the other hand, there were others who had experimented and read long and deeply, who by thought and action were the ones to be the selected, and who by such study had come to possess ideas of their own ; but these men did not meet the approval of the examiners and were given a low mark. The methods of examination caused much dissatisfaction, and everything pertaining thereto gave an unpleasant impression. Withal, although the Shogunate became more and more pressed for money as the years went by, the people at large were not so hampered. Especially was this true of the middle-class, who grew in wealth and influence, and ruled the social world. Sadanobu, of course, branded their standards of living as luxurious and beyond their means, but they were doing what was their duty and acting as befitted their rank. The following are the figures for the actors' salaries fixed during Sadanobu's administration in the Kwansei period (1789–1800) :—

	Ryo.		*Ryo.*
Kikugoro Onoye	500	Danjuro Ichikawa	250
Hikosaburo Bando	450	Utayemon Nakamura	500
Tamizo Onoye..	400	Kuzo Ichikawa..	400
Uzaemon Ichimura	400	Yoshisaburo Arashi	30
Komazo Ichikawa	250		

Women Impersonators.

	Ryo.		*Ryo.*
Shijaku Iwai	500	Tsuneyo Osakawa	180
Esaburo Onoye	400	Kikushiro Onoye	180
Kikujiro Onoye	300		

According to exchange value of rice and currency of the period, these salaries correspond to what the present-day actors receive. When a society was willing to pay its actors such exorbitant remuneration it was not likely to pay any heed to Sadanobu's instructions and to lead the simple life.

The Luxury of Social Life.—At the time those who lived by acting, performing acrobatic feats and teaching accomplishments to girls were known as geisha artists, there were 20,000 of the class in Edo. Women hairdressers, who at first only attended upon courtesans, now rose to the rank of a profession, as women of respectable families resorted to them to have their hair dressed. House-boats on the River Sumida numbered 500 or 600. The Fudasashi lived a life of lordly luxury, and in imitation of the daimyo called their wives Goshinzo (His Honour's Wife). The Tokumi Tonya monopolized the trade within the city while retaining the privileges of sale and transportation of commodities, and the feudal retainers could only bow before them. Wealth was thus accumulating in the hands of the middle-class, whose living standards rose accordingly, and Sadanobu was faced with the almost impossible, even if laudable, task of putting back the clock one hundred years. When he prohibited the manufacture of expensive sweets and cakes, the answer was the first appearance in Edo of yokan (a mixture of sugar and azuki bean); and when he forbade the use of clothes costing above 300 momme of silver, the commercial classes began to wear a new style of fabric called kinnui (gold weave), the price of which often exceeded 1 kwan of silver. There are, indeed, ample proofs to show how wealth and the powerful middle-classes silently ignored and laughed at his orders.

Sadanobu encourages Education.—When Sadanobu realized the state of affairs he felt that the only remedy lay in education, and set out to encourage it. In the Genroku period Tsunayoshi had built temples and performed services in honour of Confucius, and done much to raise the position of scholars. The daimyos followed his example, and a great number of men of scholarly attainments were produced. Finally, in the Shotoku period (1711–15) a Confucian scholar, Hakuseki, was raised to the rank of peer and given powers akin to a prime minister, which seemed to open a door for all learned men; but when Yoshimune became Shogun, Hakuseki was dismissed, and not only slighted but stigmatized as one who only resorted to education as a means to an end and not out of real love of learning. In Yoshimune's time, then, scholars were not looked upon with any exceptional respect. Then came the period of the imbecile Iyeshige, during which the administration was in the hands of petty officials, when official duties were of only a formal nature and promotions decided according to the value of the gifts presented. These poor little creatures of a day were not likely to have any use for scholars, who were reduced to earn their living among the commoners, from whom they received what little respect they enjoyed. Not only, therefore, did the Shogunate slight scholars, but the general public began to think of education as an unnecessary burden, despised and ignored it.

Unification of Thought by the Shushi School.—The family of Hayashi had been entrusted with the educational administration from the beginning of the Tokugawa era and were ardent believers in the Shushi, or Sogaku School of Confucianism, which was divided into many warring sects. For long, then, Shushi had been looked upon as orthodox Confucianism, and Sadanobu, who was a devout adherent of it, desired to unify the nation under this system. He first summoned to Edo such famous Confucian scholars as Ritsuzan Shibano and Seiri Koga, and then, feeling that the lack of enthusiasm for learning was due to the quarrels of the different schools blurring the sharp outlines of truth, he forbade the teaching of any principles but those of Shushi, issuing, in May 1798, the following astounding order to Hayashi, the head of Shushi :—

> Since Keicho (1596–1614) the teachings of the Shushi school have had the trust of the country and your family has been instructed to maintain the existence of the teachings, but is it not a fact that teaching is waning when we find various schools rising and producing confusion in the social conditions ? This cannot be overlooked. Moreover, even among your pupils we have heard there are some who are antagonistic to your school, and they should be sternly suppressed and supervised. I have instructed Ritsuzan Shibano and Seisuke Okada to give due surveillance, and you should collaborate with them to restrict your pupils from following other schools, and, further, to seek a compromise between yours and other schools in such a way as to foster talent and genius.

Already we have seen the Shogunate suppressing Roman Catholicism and making Buddhism the national religion. We have seen it, out of fear of the ronin, shutting the country off from the outside world and stopping at no sacrifice to strengthen its rule. Hence, there is nothing to wonder at when we find it trying to suppress the spread of new thoughts, but we censure the short-sightedness of Sadanobu, who had before him in China many examples of educational strife, and refused to listen to Hayashi Nobunori, who maintained that all schools were following the sacred path, and demanded that all should be given fair play, for the one which had the largest proportion of the truth would conquer. When Hayashi was on his deathbed, Sadanobu gave orders that Jusai, the son of the Lord of Iwamura Castle, should be adopted into the Hayashi family on account of his excellent scholarship and inherit the house. This Jusai was a learned fool whose one idea was to enhance the spread of the influence of the Shushi school, and who persecuted every scholar who was opposed to it. We are told how, when Michihiro Matsumai, lord of Shima, was protecting the novelist Bakin Takizawa, he warned Michihiro that his good name would be in danger if he allowed a writer of fiction to enter his house. Under such a man what was at first perhaps just suppression turned to restriction of new thoughts. The law was made known throughout the length and breadth of the realm, the principles of the Shushi school proclaimed to be the basic culture, and anyone who did not follow them was treated as no better than a heretic, and his freedom of movement restricted, but in spite of this severity private scholars living among the commoners struggled bravely against the oppression. The obstinate Jusai proceeded to instruct the daimyos to root out every element of learning which conflicted with the views of the Shushi school, and in return for their obedience to his policy such colleges as Kojo-kwan in Yonezawa, Gakkwan in Okayama, Meirin-kwan in Hagi, Yonen-kwan in Sendai, Jishu-kwan in Kumamoto, Kodo-kwan in Saga, etc., were recognized as the exponents of the Shushi school. Those maintaining opposite views, unable to find employment under the daimyo, resorted to Edo, where they expounded what they believed to be the truth, but in the provinces the radical school gradually lost its foothold and the Shushi school flourished without any significant counter element.

THE BIRTH OF THE HISTORICAL SCHOOL.—Sadanobu employed Jusai Hayashi to aid him in rooting out radicalism and planned to steer the nation's thought to a unified position by seeking the aid of independent scholars who did not criticize the Shushi school, but at the least expected point the most dangerous enemy lay in ambush, and that enemy was the historical school. Just as Confucianism, which included the study of Chinese literature and art, was known as the Chinese classics, the study of the history of home traditions was called wagaku, historical school. The new light was first seen in the growth of national consciousness which manifested itself in the ranks of the Confucianists. In Kyoho (1716–33) Harumitsu and Keichu expounded the new study, and Harumitsu's pupil Mabuchi fully developed the theory, but it was reserved for his pupil Norinaga Motoori (1730–1801) to draw nation-wide attention by his eloquent fulminations against the Chinese classics, which, he argued, were quite ignorant of things Japanese.

Mabuchi turned out about 600 disciples, who scattered themselves over 40 provinces and were in great request as lecturers to various clans. Among Motoori's classmates were Chikagé Kato and Shunkai Murata, who were accomplished and popular poets, and these three men co-operated to make Wagaku an independent branch of learning. A university of national literature (Wagaku Kodansho) was established by Hokiichi Hanawa and received a subsidy from the Shogunate enabling it to publish various chronicles giving the public access to historical documents and old writings.

THE DANGER OF WAGAKU TO THE SHOGUNATE.—This new theory was more a menace to the Shogunate than all the opposition to the Shushi school, for the reason that the nucleus of the teachings of the historical school was the restoration of the country's political and military powers to the Imperial House. That the monarchy of Japan belonged to the Imperial House and the generals and warriors, nothing but its finger-tips was known in principle, and when a warrior called himself the Shogun, and commanded the ship of state and issued orders to the Imperial House, it was nothing but a deceptive system which could not be maintained for any length of time. The Tokugawa family formulated the warriors' code consisting of seventeen articles regulating the relation between the Court and the Shogun, and serving as a kind of constitution. As there are no two suns in the heaven, there shall be no two sovereigns in a state, therefore, if the head of the Imperial House in Kyoto be monarch of the land, the Shogun shall pay obedience thereto. If the Shogun be not the true sovereign, then it is an act of disloyalty to make the Emperor only a figurehead. When the Tokugawa family established the constitution it was perhaps inevitable, but with prolonged peace and when the nation, no longer deafened by the roar of battle, could judge things for constitutional reasons, the position of the Shogunate within the state system became a vague one indeed. In the Meireki era (1655-58), Mitsukuni, the lord of Mito, compiled the history of Japan with the help of many scholars, which, though not in so many words, made clear the distinction between crown and usurper and let it appear that the latter would after a time be obliged to restore the stolen swag to the crown and submit to authority. Shogun Tsunayoshi was much vexed at this publication and, on the pretext of his associating too closely with the nobles of the Imperial Court, Tokugawa Mitsukuni was ordered into domiciliary confinement. However, with the advent of Hakuseki Arai as Chancellor the political situation of the monarchy became a living question. In 1711, as customary, the ambassadors from Korea came to pay their respects, and in order to maintain the dignity of the country Hakuseki tried to introduce quite a number of changes. Since Ashikaga times the position of the Shogun *vis-à-vis* foreign countries had been very ambiguous, and in China and Korea particularly it was not understood. Hakuseki, therefore, proposed to call him the King of the country and at once aroused opposition. The third Shogun, Iyemitsu, had styled himself Tycoon, which, while heightening the rank of the Shogun in the eyes of foreign countries, and setting forth his position as something more than that of a soldier by giving him a name suitable to one who held the actual sovereignty of the realm, did not violate the sacredness of the Emperor. Hakuseki, who had already changed the titles and uniforms of the Shogunate officials, reformed the official system, remodelled the castle, and copied all the conventions of the Imperial Court at Kyoto, was now bold enough to usurp a certain part of the august title of the Emperor, since already the Shogun wielded the actual powers of state functions.

THE RISE OF THE MONARCHISTS.—Notwithstanding that Yoshimune and his group keenly desired to see a revival of the military powers of Edo in order to continue the prestige of his family, he did not understand the actual attitude of Hakuseki, but believed that he was only trying to imitate the luxury of Kyoto and abandoned him. Then came the case of Takeuchi Shikibu, a doctor and native of Echigo, who went to Kyoto, where as an expert on military tactics he became a retainer of the Tokudaiji family and lectured to the nobles advocating the restoration of power to the throne, and drawing crowded audiences. His arguments were brought to the notice of the Emperor in order to imbue him with a wish to regain imperial power, although a section of the Court nobles were opposed. Through the jealousy of a woman, who suspected the document His Majesty was studying to be a love-letter, the whole affair was brought to light, and Shikibu was banished by the Shogunate. In the following year, 1767, occurred the incident of Dai-ni Yamagata and Umon Fujii. Dai-ni Yamagata had been a city official of Kofu, but owing to a murder committed by his brother the family was banished from the locality, and he sought his fortune in Edo, where he started teaching military tactics to various officials and clansmen. Lamenting the feebleness of the Imperial Court, and indignant with the usurpation of the Shogun, he criticized the state of affairs in vitriolic fashion, publishing a book called *Ryushi Shinron*, describing the nature of a monarchy and insisting upon the need of the restoration of power. Umon Fujii was a native of Kyoto and studied under Dai-ni. The Lord of Obata and his old retainer, Gemba Yoshida, had already been converted to the ideas of Dai-ni and extended to him the treatment of a respected master, when someone turned traitor, and the Shogunate arrested Dai-ni and condemned him to death, beheaded Umon and exposed his head to public view, while a large portion of the daimyo's territory was confiscated. In such and various ways the ideas of advocators of the restoration had begun to bud, but the real hothouse in which the bud was to burst was the historical school. Sadanobu was blind to this, and was satisfied to suppress all new thought on the Chinese classics which ran counter to the Shushi school. Not only had he no suspicions of Wagaku, but when he heard that Rai-sanyo had written the *History of Japan* he bade his sons study the book and commended it very highly. Yet this very book contained the egg from which the movement toward restoration was hatched.

THE BEGINNING OF THE RUSSIAN MENACE.—Much more serious than the restriction of new thoughts was the sudden advent of a new problem, for Russia loomed up abruptly from the mist of the north. In about 1790 reports were heard of strange vessels near the sea of

Kyushu and Central Japan which gradually called the attention of the thoughtful, amongst others Shihei Hayashi, of Sendai. In order to warn his countrymen, he wrote *Kaikoku Heidan* (*Talk on a Sea Nation*) and the *Sankoku Tsuran* (*Glimpses into Three Countries*), which discussed the diplomatic problems of the past and present between European nations, prophesying that at some future date Russia would menace the northern shores of the country, and that it was necessary to be prepared and to manufacture arms. Shihei was a noted Dutch scholar, clear-sighted and well-informed upon foreign affairs, and visiting various parts of the country he advocated national preparedness as the burning need of the day, warning the nation that their lives depended upon it. Sadanobu was not likely to listen to any such words of wisdom, but he summoned him to Edo in December 1791 to find out what sort of a man he was, and concluding that his activities formed a public menace, gave orders for Shihei's books and wooden print blocks to be confiscated and the author imprisoned. If Sadanobu really desired to inject vitality into the veins of the nation here was his chance. The ebb of national feeling, the debauchery and luxury of manners could not be remedied by civil strife but by unifying the nation in a cause against " the foreign devils." Unfortunately, or rather fortunately, here was a menace from the north, giving Sadanobu an opportunity of which he should have taken advantage without hesitation. He was blind to the opportunity, and clapped a patriot in prison as a criminal. The shallowness of Sadanobu's knowledge and judgment were proved five months later, when Russians landed in eastern Yezo to return two shipwrecked sailors whom they had rescued. Tadafusa Ishikawa and Yoshinori Murakami were sent by Edo to receive them. While the Shogunate was plunged in idle dreams, Russia had already begun encroaching upon the northern portions of the country, and Edo woke up to the fact that Hayashi has been right, but desiring to keep the facts hidden, the rescued seamen were kept in imprisonment and not allowed to return home. This was to prevent the public talking of Russia, and was typical of the manner in which the Shogunate always tried to fool the nation.

THE SYSTEM OF RICE STORAGE OF EDO.—Although Sadanobu failed completely in national politics, in his executive administration he was not so unsuccessful. In 1791 he established in Edo a system of rice storage, under which inhabitants of certain streets had to club together for the purpose of purchasing rice, which was to be stored in case of a bad harvest or high prices. This system was maintained up to the end of the Shogunate's existence, when the funds were turned over to the Tokyo Relief House. The method followed was interesting. An average was decided which served as the street budget, Ten per cent. of the amount was allotted for extraordinary expenses, while 20 per cent. was put into custody of the land-owners and house-owners and spent on ordinary expenses. The remaining 70 per cent. was put to the reserve fund, which was utilized in purchasing rice or invested in some profitable line as provision for a rainy day. In June 1792 a town-hall and granary were built, which became the very first public utility of the autonomous organ of the Edo citizens. True the different streets formed a unit of self-government, but self-government of the city as a whole only came into being at the time in question. The head-men of the twenty-one bodies had their officials here and supervised the work on days allotted to each. The reserve fund per annum was estimated at 22,000 ryo, which shows that the total budget of the city was only about 31,400 ryo.

THE CANCELLATION OF THE HATAMOTO DEBTS.—Sadanobu saw that the Shogunate retainers were deeply in debt, and that the debt was yearly increasing and drawing them to the brink of bankruptcy, and to help them he ordered that all debts prior to 1782 should be cancelled and all debts after 1785 redeemed at the rate of 3 ryo for every 100 bales of income, regardless of the amount of principal. As compensation, the Shogunate loaned the fudasashi, the creditors of the retainers, 80,000 ryo, which bore interest at 5 per cent.; term of redemption, twenty-five years. Although the decree inflicted a loss on the fudasashi, yet the condition of the hatamoto was so hopeless that there was no likelihood of their ever paying off their debts, and when the Shogunate cancelled the debts and at the same time loaned money at low interest, they felt half a loaf to be better than no bread. For further details the reader is referred to the chapter on Fudasashi. There was much unemployment in Edo, as a result of the economizing policy, and many turned highway robbers or worse, and to give employment to these men when apprehended by the police the Shogunate reclaimed the large area of land on the River Sumida, now known as Ishikawa-jima.

SADANOBU'S FALL.—In such a way, although there were inconsistencies in Sadanobu's politics, yet he made great efforts which were not altogether futile. His great weakness was that he could not read the signs of the times, and was not powerful enough to enforce his ends, for outside the Cabinet the majority of the officials gave him no help. Tanuma had been a tyrant in his way, but his tyranny did not extend over people's minds, and Sadanobu wanted to force every one to think as he did, and drew the rein too tight. Neither had the common people been affected by Tanuma's despotism, which touched only the Shogun and those around him. He was corrupt, it is true, but under him there were many chances for quite unknown people to show the metal they were made of. Notwithstanding his disrespect to the Imperial Court, yet he did not attempt to interfere with its free actions, quite contrary to Sadanobu, who, while recognizing and paying homage to the Imperial throne, yet curbed its freedom. General discontent with the minister's constant interference with life and freedom grew steadily deeper, and, reading the signs of the times correctly, the opposition party joined hands to bring about Sadanobu's fall. Realizing too late that Shihei, of Sendai, had been right about the Russians, Sadanobu ordered the daimyo to look to the sea defences, and in March 1793 himself proceeded in war attire to the coasts of Sagami and Izu to see what was being done; but this sudden change of policy was inexplicable to the people, who, carefully lulled as they had been into security and kept in complete ignorance of outside affairs, saw no reason for the necessity of defence or preparation. While Sadanobu was travelling through Izu and Sagami the intrigue of his enemies came to a head, and in July he was finally relieved of his premiership and treated as a genro, only to be called into consultation on important affairs at the Court. His six years' political work was destroyed by the direct rule and interference of Iyenari, and all that was left of it was a military uniform which he designed, and this, too, was soon replaced.

CHAPTER LXXI

AGE OF DEBAUCHERY

Sixty-Nine Apostate Priests pilloried at Nihonbashi.—Nobuaki Matsudaira, the lord of Yoshida, who succeeded Sadanobu, was not unlike him in character and a man of strict integrity. He prohibited hairdressers' shops to respectable women and forbade the common people to disinherit their children, encouraging them to educate their offspring. In August of 1796, to the great surprise of the public, he had sixty-nine priests, who were known to frequent houses of ill-fame in Edo, pilloried at Nihonbashi. These unworthy priests were roped and exposed to public view for some days, and finally those who were superiors of a temple were banished to distant islands, while acolytes were punished according to the ecclesiastical laws. The punishment by penal law of sixty-nine priests caused an immense sensation, but had no effect upon the manners of the priests, who still patronized doubtful resorts, plainly proving how corrupted this age was.

Caution against Russia.—In the meanwhile European encroachment gradually turned eastward. In 1797 a number of foreign vessels were off the Tsushima firing their guns, a sound louder than ever heard up to the time, and the people of the neighbourhood imagined that the foreign men-of-war were fighting, or, may be, coming to attack the country. In the following year news was received that the Russians had taken possession of Etorofu Island, and Edo felt that the state of affairs was really serious and Kyuzo Watanabe, Zenbei Okochi, and Toyemon Mihashi were immediately dispatched at the head of a small force to inspect Yezo and learn what the Russians were after. Discovering that the northern island teemed with wealth both on land and sea, they made a report favouring the development of the country for the purpose of exploiting its wealth and to perfect the national defences. The Shogunate, therefore, persuaded the Matsumai clan to put their territory on the eastern shores of Yezo under the direct supervision of the Shogunate for seven years, and acted in the same way in the territory lying east of Hakodate, compensation being given to the Matsumai family in the shape of 5,000 koku of land in Kozuke. In 1799 Tadaoki Matsudaira, lord of Shinano, was appointed Governor-General of Yezo, while Tadafusa Ishikawa, Shozayemon Habuto, Zenbei Okochi, and Toyemon Mihashi were made governors of different parts. In May of the following year

Chukei Enoh, a native of Shimosa, was ordered to survey and make a map of Yezo, and returned to Edo in November with his work complete. As his remuneration was only 5 momme of silver per day, it cannot be said to have been a golden age for scholars. In 1801 Tadafusa Ishikawa and Shozayemon Habuto left for the north along with Rinzo Mamiya, who later travelled through Karafuto and along the banks of the Amur, but, baffled by the sea and mountain barriers, returned without being able to proceed farther. On his return he published a book describing the country, which drew public attention to the north, and in 1802 the Shogunate established an office in Hakodate which governed the entire province, and we extract the following from the Government order :—

> The policy of the administration shall be to foster education and to civilize the inhabitants in order to imbue them with the manners and customs of our country. Care shall be taken to cultivate patriotism, so that they may not rebel in case of invasion by foreign powers. Hitherto the traders have been a pack of tricksters, and care shall be taken to see that trade is fairly conducted. The people shall be taught to eat vegetables and leave off eating meat. Make them speak the Japanese language and abandon the custom of polygamy in order to increase the population.

AN ORDINANCE TO ATTACK ALL FOREIGN VESSELS.—In May 1805 a Russian vessel unexpectedly arrived in Nagasaki, and when the Governor of Nagasaki, Yoritsune Hida, inquired the purpose of their visit through a Dutch interpreter, he was informed that the Emperor Alexander of Russia had ordered Count Resanoff to proceed to Japan as representative to open trade, at the same time returning four shipwrecked fishermen. The Shogunate explained that communication with foreigners was against the law, and Resanoff left for Kamchatka. In September of 1806 Captain Chwostoff was dispatched with two warships to Karafuto, where he attacked the Japanese guardhouses and carried away four soldiers as prisoners. The remaining soldiers were in great consternation, and desired to report the news to Edo immediately, but winter had already set in with heavy snowfalls, so that communication was very slow, and the messenger did not reach the capital until April 1807, when his report greatly alarmed the Shogunate. On April 21st, two weeks after the Karafuto messenger had reached Edo, Russian warships entered Naiho, of Etorofu, and plundered the inhabitants, and on the 27th attacked the port of Shana in the same island, where the Government offices were and a garrison of about 300 drawn from the two clans of Nambu and Tsugaru. These men did their best, but their rifles were no match for the foreign warships, which landed marines under cover of their guns, and the garrison took to flight. The news of all these happenings reached Edo in melancholy succession and the whole city was in commotion, all parties turning their eyes towards the north with doubled fists. The three clans of Sendai, Aizu, and Satake were ordered to dispatch troops to Yezo to protect the shores, and Governor Matsumai, Seiyo Habuto, and Unrin Togawa were dismissed as being responsible for the affair. The Lord of Awaji and the Lord of Higo were appointed successors to the late governor. In 1808 a public proclamation ordered that any foreign vessel which happened to come in sight should be at once attacked, the first instance of such a law. The fortification of Izu and Sagami planned by Sadanobu, and abandoned on his resignation, was again taken up and forts were built to protect Edo bay, Sadanobu Matsudaira himself being ordered to superintend the work. To meet the outlay the Shogunate collected 70 ryo per 10,000 koku from daimyos and 1 ryo for every 100 koku from farmers.

An English Ship frightens Nagasaki.—While the Russian scare was in full blast in 1808, an English ship unexpectedly entered Nagasaki harbour, took the Dutch interpreter prisoner and fired on officials who desired to board the vessel. It was impossible to attack the ship with any prospect of success owing to the lack of men, so that finally the demands of the English for fuel, water, and provisions had to be yielded to. Just after the ship had left, the soldiers from the surrounding provinces who had been summoned arrived on the scene. Yasuhide Matsudaira, who was responsible for the protection of Nagasaki, after reporting the affair to Edo, committed suicide to atone for his inability to cope with the Englishmen. The affair is fully treated in the chapter on the arrival of English ships.

The Nation's Lethargy.—Since the Tokugawa edict closing the country to the outside world in 1638, one hundred and seventy years had elapsed to the time in question, and the world as known by the nation during the period of isolation was the one in which Spain and Portugal had ruled supreme, though afterwards Japan came into contact with the Dutch and English. In the time of the Dutch monopoly of trade at Nagasaki, what the Japanese knew of the outside world was only what scraps they picked up from the captains of the Dutch ships, most of which, moreover, came from Java and not direct from Europe. These ignorant seamen knew very little of world politics, and communications were so slow that in any case they were not likely to be up to date. They could only retain what news thay had learned in one port or another. The Shogunate officials knew really very little more than we know of affairs in the moon, and with such leaders it was no wonder the nation continued its heavy sleep.

The Rise of Dutch Learning.—After one hundred and seventy years of isolation, when all danger of the unemployed samurai of

Osaka gaining a base in foreign soil had disappeared, when the two million Christians had either been killed, escaped, changed their religion or worshipped in secret so that no one even referred to the religion, and the only heretics were believers in the newly created sects of Nichiren, the Shogun Yoshimune was persuaded that, in order to reform the mistaken theories on astronomy and to right the calendar of the country, it was necessary to cease the persecution of Christianity and to import European books. The Dutch were permitted to reside in a certain area of Nagasaki, and a few Japanese began to study the Dutch language to facilitate intercourse. Thus armed, they commenced to read books and learned of the science which formed the backbone of the development of modern Europe and had made her civilization incomparable with that of their own country; they got a glimpse into European customs, and they came to know the political systems and something of the men who swayed the European nations. In fact, a new class of Dutch scholars was created who ignored the Dutch captains and went direct to the printed word, which, coupled with their conversing abilities, gave them a knowledge of the world far exceeding that of the Shogunate officials. During the Kyoho era a certain Jyoken Nishikawa of Nagasaki had already written a treatise on astronomy based on Chinese and European astronomical science, while Shihei Hayashi published the *Diplomatic Relations of European States*; even Raisanyo, who only had a smattering of things foreign, had already, in the Bunsei era, composed a poem on Napoleon the Great. Dutch designs were introduced in the fabrics sold on the market; it became a custom to use crests in the form of a monogram made up of Dutch letters, and there were even daimyos who signed their names in Dutch. The Shogunate officials were far more backward than the commoners, and did not know what changes had taken place in Europe at the time when English ships entered Nagasaki. Ignorant of the force lying behind these intruders, they attempted to repulse them with old-fashioned cannons, and in 1811 the Shogunate issued the undermentioned order, in which they took up an attitude of downright foolishness:—

LAWS ORDAINING THE ATTACK OF ALL FOREIGN SHIPS ENTERING THE COUNTRY.

The case of the treatment of foreign ships coming to the country has frequently been dealt with previously, and in respect to Russian ships it was arranged to trade with them in the Bunkwa period, but the English ships, which recently entered Nagasaki and behaved outrageously there, seem now to be entering different ports in boats to ask for fuel, water, and provisions. In the past year they have landed without permission and have plundered the domestic ships of cereals or attacked the different islands, seizing cattle and produce. Not only have they been guilty of such violence, but have been trying to spread the teachings of heathenish ways, which makes things all the more serious, if we stand idly by. Not only the English but all the southern barbarians of the Occident are from the countries of the heathen, so henceforward if any foreign vessel happen to approach any part of the country, an attack shall be made immediately, no matter who is in command. If the ship retreats it is not necessary to pursue it, but if any attempt be made to force a landing do not fear to capture or kill any of the crew. If the parent vessel be anchored near by, it may be destroyed if necessary. This should be publicly notified. Preparations for such emergencies shall be made in the most practical and least cumbersome methods. Negligence must be guarded against, and matters must be so arranged that the best use may be made of every one. It is possible to distinguish the Chinese, Chosen, and Ryukyu vessels by the shape and men, but difficult to distinguish a Dutch vessel from another foreign one, and in case of such difficulty there must be no hestiation. The ship should be attacked without delay, and if any mistake be made, due amends shall be made by the Government. The strictest guard must be kept at all times.

The above shall be duly noted.

February.

Russians land on the Northern Shores.—About this time, as if a bell was pulled from the dark to awaken the Shogunate officials from their sleep, in May 1811, the Russian ship *Diana*—Captain Golownin, ordered by the Emperor to survey the northern seas—came to Kushinari to ask for fuel, water, and provisions. They landed at Senbekotan in a boat when the warriors of the Nambu clan fired at them and drove them off, making eight prisoners, including the captain. In the following year the Russians again visited these shores, bringing with them three castaways from Aki and Owari Provinces and a guard whom they had previously captured at Etorofu Island to exchange for the eight prisoners. The clan refused on the pretention that the eight men were already beheaded. Although the Russians left, on their way home they captured a fish contractor at Etorofu (Kahei Takata), a guard, and an Aino. In May of 1813 Russian ships again arrived, returning Kahei Takata, at the same time explaining that the plunder and attack made a few years previous were not the intention of the Emperor of Russia but the action of marauders, and apologized for the lax discipline. The Shogunate, therefore, returned the eight prisoners, which made relations between the countries better but did not touch the question of the undecided boundaries in those parts. Golownin again returned in the following year and promised to discuss the boundary question. He carried with him the proposal of the Shogunate, i.e. all land lying north of Shimosiri to be Russian territory, south of Etorofu Island to be Japanese territory, and the space lying in between to be neutral zone. Russia was then absorbed by the Napoleonic invasion, with no leisure to consider the question of far-eastern boundaries, and no representative came for some time. In the meanwhile Nobuaki Matsudaira, the Premier of the Shogunate, died, and in 1817 Tadanari Mizuno was promoted from Lord Chamberlain to Premier. As the Russians had not come for some time he considered it a waste of money to maintain the guards, and abolished the Hakodate governorship, granting the territory to Lord Matsumai. Once more the nation, which had been awakened, lay down to sleep again.

THE MORAL CORRUPTION OF IYENARI'S COURT.—Regardless of the peril threatening from the north, the nobles and retainers of the Shogunate's Court in Edo had continued their licentious lives, and when this danger blew over for a time, led by the Shogun and his father, whose life was one long Bacchanalian orgie, they plunged still more deeply into luxury, so that no jot of Sadanobu's work remained. Tadanari understood human nature very well, and was a complete man of the world, but too flexible and submissive to play a large part, never daring to oppose the Shogun for fear of losing his post. He also laid himself out to please the Kyoto Court nobles, frequently inviting them and listening to their music, arranging football games in their honour or reviving long extinct festivities, and not disdaining to buy their favour with vast sums of gold. The Kyoto nobles, used to quite different treatment from Sadanobu, and almost afraid to call their souls their own, were overjoyed at this change of heart; and in 1818 the Court presented Iyenari with headgear and garment with the Imperial crest, while raising him to be the Minister of the Left and his son to be Lord Keeper of the Privy Seal. For a Shogun to be created the Minister of the Left was a glory unknown since the days of Iyemitsu, while for a Shogun's heir to be created a minister was unprecedented. In 1827 the position of Prime Minister was given and from henceforward, with the formalities accompanying these positions, the life of the Edo Court grew still more luxurious, until from luxury it turned to corruption. Of course, all the preceding Shoguns had their mistresses besides their legal wives, but Iyenari kept sixteen concubines and twenty-four mistresses, who gave him fifty-nine children and made the Shogun's palace a brothel. All these children had to be brought up, and as it was not feasible to create independent nobles, many were given to different daimyos as adopted children or as wives, the dowries of whom ran into vast sums. At first the marriages were arranged with only the large daimyos, but it became necessary to have recourse to the smaller ones, whose ranks were elevated to fit them for the honour, and finally the daimyos almost jostled one another to wed a daughter of Iyenari to get a step in rank and have free access to the Shogun's palace.

Open Bribery.—This marriage market had been very busy since the time of Tanuma, but the climax was reached during Iyenari's period. When the daimyos who had entered into marriage relationship with the Shogunate were thus elevated in rank, other daimyos wanted the same advantage and began to bribe the ministers and officials in attendance on the Shogun, and finally it became such an open custom that it scarcely seemed wrong, and in such a manner political powers were transferred from the Cabinet to the Shogun's palace and the hands of his attendants. It had always been the custom for the different clans to maintain ambassadors in Edo, who were the acting official in the absence of the lord and composed the *corps diplomatique* of Edo society. The samurai stationed in Edo and those at home oftentimes differed in their views, and in consequence the clans were filled with warring factions. In the household of the Shogun or an important daimyo a marriage was always the occasion for rivalry between the party of the legal wife and that of the mistress, which caused treachery, intrigue, and what not, resulting in poisoning, assassination, and lawsuits. Out of all the daimiates there was hardly one free from domestic feuds.

The Height of Edo Glory and Splendour.—Edo was now a large metropolis with a population of about two millions, made up of the commoners, retainers, daimyos, and their servants. At one time it was said that Kyoto was the place to gain glory, Osaka wealth, and Edo power, but now wealth, glory, and power all centred in Edo, and it became the chief hunting-ground for scholars, artists, poets, writers, priests, courtesans, adventurers, merchants, etc. The authorities made occasional half-hearted efforts to stem the tide of luxury as far as the lower orders were concerned, but the Shogun's palace set the example and no one paid any attention to sumptuary regulations. It was the custom in Edo to use oiled paper umbrellas in wet weather, and those using umbrellas on sunny days were at first only aristocratic ladies and physicians, but in the beginning of the 19th century the samurais and commoners all began to use umbrellas, costing in some cases not less than 200 momme silver. The frequent orders issued by the Shogunate failed to stop the practice. Luxury is said to have been prodigious when Tanuma was in power, but the commoners were still quite plainly dressed, as may be seen from the fact that among the inhabitants of Iidamachi Edo there was only a single person who possessed a haori (coat), and this gentleman was so afraid of gossip that he never put on the haori until out of sight of his neighbours. Twenty years later, every citizen of Edo who resided in the main streets was the owner of fancy haori. In the days of Iyeyasu the lower classes wore half-soled slippers, while most of the farmers went barefooted, but their descendants wore slippers made of soft leather imported from India by Dutch and Chinese merchant vessels. The women of the rich had little copper warming-pans filled with hot charcoal in their clogs to keep their feet warm in cold weather. Unless a man ate rice-dumplings costing 1 momme 5 bu gold, sushi costing 1 bu each, and sported a Sumiyoshi pipe costing 25 ryo, he was considered out of date and unaccustomed to society. Even to this day, whenever any reference is made to the life of Edo, we immediately think of that of the early 19th century.

THE SUBMISSION OF WEALTHY CITIZENS.—If we ask whether the citizens who were able to maintain such a luxurious life had any say in politics, the answer is they had none whatever. In the documents addressed to them by the Shogunate they were called land-owners, but when referred to in the third person they were called the lower class, and yet the public burden placed upon them was very heavy. In December 1814 the Shogunate commanded Zenyemon Konoike, of Osaka, and 200 other wealthy men to supply funds amounting to 1,100,000 ryo, the record of the contributors being as follows :—

	Ryo.
Zenyemon Konoike	50,000
Kyuyemon Kajimaya	40,000
Sohei Kajimaya	30,000
Matazeyemon Orimiya	30,000
Seiyemon Komeya	30,000
Goyemon Konoike	25,000
Kyubei Omiya	25,000
Yoshigoro Konoike	20,000
Shobei Konoike	20,000
Yasubei Daikokuya	20,000
Sojiro Kajimaya	15,000
Gorobei Kajimaya	15,000
Gonbei Omiya	15,000
Yasubei Sumiya	15,000
Tohei Konoike	10,000
Yeijiro Konoike	10,000
Hikogoro Sumiya	10,000
Genbei Daikokuya	10,000
Jizayemon Obaya	10,000
Kihei Komeya	10,000
Genbei Hiranoya	10,000
Rinyemon Shimaya	7,000
Tosaburo Kajimaya	5,000
Sakubei Kajimaya	5,000
Sagoro Kajimaya	5,000

In addition to the above, contributions made by two hundred others brought the grand total to 1,100,000 ryo.

The money was needed to supply the extravagant expenditure of the Shogunate, and was accompanied by a debasing of the coinage and forced contribution from the feudal lords. It may be remembered that the Shogunate had given to the lord of Matsumai a fief of 5,000 koku near Kuki Kozuke, but afterwards made the territory a part of the Shogunate's land for which a sum of 3,000 ryo was granted in compensation, which may be taken as an example of the Shogunate's standard when appraising a fief in money. Comparing this ratio with that of the donations of the Osaka merchants, there were many who gave an amount equal to a 50,000-koku fief. When we inquire as to the treatment received by these merchants we find they were not granted any privilege other than having a surname and to wear a sword, and even these privileges were not the reward of the donations, but had been already won by many hundred years of service. Rich as they were, they had no voice in politics, and often had to submit to insults from young samurai. One summer day a wealthy citizen enjoyed a boat picnic on the Yodogawa, accompanied by song and music, and the following morning was visited by samurai, who said they came as representatives of the Kishu clan to reprimand the merry-maker for disturbing the environment of their lord's residence. The citizen knew too well it was no use arguing, so he just apologized and gave his visitors a small sum. No rich man was allowed to take up fencing on the ground that it was an unnecessary art for traders. The merchant could only build a beautiful house by donating a large sum, upon the size of which depended the class of house he would be permitted to rear. When the citizens desired to obtain education they were made to understand that learning and practical wisdom could not be brought together. The merchants then might pile up wealth but had no way of utilizing it. All they could do was to spend their money on things which were not publicly seen, such as tobacco-pouches, pipes, sword-hilts, braziers, screens, clothes, furniture, etc., which gave no small incentive to the development of these artistic industries in various cities.

THE RISE OF DILETTANTE LITERATURE.—Not satisfied with material pleasures they turned to literature to feed their hungry souls, and the age produced exceptional novelists and poets. Japanese literature during the middle part of the Tokugawa era acknowledged the sway of the Chinese classics and could not shake off the fetters of the Shushi school, but the special feature of the literature of the age we are now concerned with was that it entirely overthrew all forms derived from religion or Shushi philosophy. The predominant points which marked it were its realism, its optimism, its lack of pathos, its laughter in grief, anger, and oppression. Like the French poet, its maxim was: "Let us laugh, lest we weep." As long as literature sings of nature and tries to understand the relationship between man and nature, it does not stray beyond the bounds of religion, but when it begins to discriminate, criticize, and discuss, religion cannot but lose its hold. Buddhism had for long been a subject of attack by the classical and historical schools, and this, coupled with the corruption of the priests, deprived it of any influence whatever on society. The authors in Bunkwa and Bunsei Eras, brought up in such an atmosphere, steeped themselves in materialistic pleasures, and believed in the principle "Let us eat, drink, and be merry, for to-morrow we die."

They knew how to enjoy life, and while recognizing the injustice and cruelty of the world, were contented that they could not alter it, and found what satisfaction they could for themselves. The *literati* were always bound hand and foot by the bureaucrats, and as there was no chance for them to gain power or glory they had recourse to wandering and jest, attempting to make of life the vision of a sleep-walker. Hence the literature of Edo had no future and no hope, had nothing to look back upon, and only lived in the present.

THE AGE OF DEBAUCHERY.—As a result of such thoughts, debauchery ate more and more deeply into society, and the samurai rode up in their palanquins to the houses of ill-fame. Even respectable women were finally enmeshed in the net of corruption, and we meet with the incident of Enmeiin Nichido in May 1801. Nichido was first an actor but became the superior of Enmeiin, a temple of the Nichiren sect in Yanaka, and, with the aid of the priestling Ryuzen, enticed women thither, making the place a den of immorality, visited even by ladies-in-waiting at the Court. That priests should break their vows of chastity was so common that no one gave it a second thought, but when we have a man who turned priest from actor and alluring women to his temple for immoral purposes, it throws a glaring light on the moral degradation of the age. The Shogun himself was living a life of debauchery surrounded by his harem, and his people imitated him. Of course every one wanted money, and this was the golden age of lotteries and "get-rich-quick" speculation. A lottery was first started at Kanwaji Temple, the Fudo Temple at Meguro, and the Tenjin Shrine at Yushima, nominally for the purpose of raising funds for the respective shrines and temples, which finally became genuine gambling dens. Following their example more than twenty temples and shrines ran lotteries twice or thrice a month or during the festivals, the prizes ranging from 50 to 1,000 ryo, and there was such a craze for lottery tickets among poor women and apprentices that they crowded in thousands to buy them. If a man was unwilling to try his luck in the real lottery, there were charms sold giving the prize number of those who won in the first draw. To cap everything, the very officials of the Shogunate mingled with the crowd before the temple gate and gambled like every one else. Such was the situation prevailing from the early years of Bunsei to the 2nd of the Tempo era (1820–43).

THE POVERTY OF THE SHOGUNATE'S RETAINERS.—Amidst such lust, luxury, and decadence, as was only to be expected, the hatamoto anticipated their rice allowances and in most cases were unable to redeem the amount borrowed on this security. In 1793 Sadanobu Matsudaira had wiped out all their debts, but twenty years later they were again at the mercy of their creditors. Thus situated, they had resort to Meimoku kane, a form of loan made by shrines and temples to different parties after obtaining the Shogunate's permission. The difference between this kind of loan and ordinary loans was that in case the borrower failed to pay and a suit was brought, it had priority over any other claim, and due settlement had to be made within a certain time. Besides this resource, there was the Blindman's loan, which also was called Government money and subject to the same regulations. As such loans were specially protected by the Shogunate and rather safe, the rich supplied the principal, and even a daimyo made use of them ; and so we find privileged hatamotos and daimyos borrowing from those who had no voice in political matters and suffering when pressed to pay. Another means of raising money favoured by the hatamoto was the adoption of the sons of the rich who brought a dowry with them. Many adopted such boys even if they had sons of their own, and matters reached such a pitch that the hatamoto position became a right which could be bought and sold openly. It is only fair to say that the hatamoto system called aloud for rejuvenation, and much-needed new blood was injected into it by child adoption and the sale of the family position.

The Shogunate's Financial Difficulties.—It is no surprise to find the Shogunate in financial straits when the whole Court was a hotbed of sensuality, and, as we know, it eventually became bankrupt, which was a large factor in its fall. The necessity of defensive preparations in the Kwansei era had greatly swelled the budget, but the Government carried on for some time by a levy in April 1808 of 70 ryo to every 10,000 koku on daimyos and 1 ryo to 100 koku on commoners. By 1813 the coffers were again drained by useless expenditure and mismanagement, and to obtain funds it was necessary to order the wealthy Osaka merchants to make donations amounting to 1,000,000 ryo, as already related. In spite of these extraordinary sources of income, the Shogunate ran up a debt of over 500,000 ryo between 1814 and 1836, and at a conference held to discuss methods of meeting this deficit, the officials advocated a debasing of the coinage. The coins to be debased had been so treated many times since the Genroku reform, and were already the worst in the world, and Tadasuke Aoyama strongly opposed the plan. A new suggestion made by Furukawa, Treasurer of the Shogunate, and Chief Accountant Senzo Hattori was adopted to mint 2-bu gold. The quality was so poor that the people hated to give up their old coins for it, but nevertheless in 1819 the Shogunate re-minted all the coins and within the ten years between 1828–37 is said to have made a profit of 9,008,000 ryo through re-coinage. Amid all these humiliating shifts the Shogun pursued his licentious life, and the officials, high and low, were too small of soul to dream of reform. In 1836 Iyenari desired to retire in favour of his son Iyeyoshi, but there were no funds to pay for the coronation expenses, and one of the elders, Tadamasa Okubo, appealed to his relatives for a donation, which barely covered the expenses of the festivities accompanying the succession. The citizens of Edo used to refer to the period of Iyenari as the Epoch of the Great Shogun, thinking only of the glory and enjoyment. But the truth was that sadness had come after the fulness of joy, and signs of decay were already apparent.

THE REBELLION OF HEIHACHIRO OSHIO.—Iyenari continued his administration in such disorderly fashion for fifty years, but in February of 1837, as a protest against his half-century of misrule, a civil rebellion took place in Osaka. In 1832 there had been a poor harvest, and in 1833 the result was still worse, which, coupled with the debasing of the coinage, effected an increase in the price of rice, when even in the city of Edo the famished inhabitants were seen dying of hunger. In various parts of the country the starving assembled and attacked the rich, the most serious uprisings being in the provinces of Musashi, Mino, Kai, Kozuke, and Shimozuke, which the lords were unable to quell and which succumbed only to the exhaustion of the rioters. For many years highwaymen harassed the country mostly in Shogunate territory, but the clan and Shogunate officials were afraid to interfere with them—just as the Chinese officials are afraid to tackle the bandits of their country—and thus left to their own resources the wealthy throughout the country had to break the law and call in swordsmen to teach them and their offspring the art of self-defence. Even the law-abiding citizens were naturally disgusted with the administration of the Shogunate, and one cannot but divine that public opinion desired some change and that symptoms of outburst were evident. About this time there was a police-sergeant in Osaka by the name of Heihachiro Oshio, a Confucian scholar with many disciples, who was mightily indignant at the cold attitude of the Commissioner of Osaka, who seemed disinclined to take any step to aid the poverty-stricken people. The rich paid no attention to his advice and the Commissioner made it clear that he could do nothing without the sanction of Edo. Heihachiro maintained that it was no time for red tape and begged the Commissioner to act on his own responsibility, though he might risk his position. The official remained obdurate, and Heihachiro in high indignation decided to sacrifice himself, and disposing of his library and furniture turned the money into rice for the suffering people. He and his friends made four copper and wooden guns and distributed broadcast a manifesto which called for the punishment of the corrupt and selfish officials and the protection of the starving people. His own house was set on fire to start the *émeute*, and then fires were started in various places and the Tenjin Bridge burned. The mob attacked the house of Konoike and Mitsui, and such rich people, and Heihachiro planned to seize the castle.

There was, however, a traitor in his camp, and on their way to the castle the mob was surprised by an ambuscade of soldiers and dispersed.

CHAPTER LXXII

INTERCOURSE WITH THE RUSSIAN TERRITORY ON THE NORTHERN BOUNDARY

THE name of Yezo appears in Japanese history for the first time about A.D. 650 during the reign of the Emperor Saimei, when Hirafu Abe made it his fief. In 1590, after Hideyoshi's eastern expedition, Matsumai Yoshihiro, the self-assumed lord of Yezo, under agreement with the Shogunate, extended its jurisdiction to Matsumai. Again, in 1596, he paid a visit to Iyeyasu, as a result of which in 1604 he received an order appointing him Governor of the entire country of Yezo.

The charter was as follows :—

1. No one coming to Matsumai from different part of the country shall enter into intercourse with the natives without first obtaining a permit from the Lord of Shima, and anyone found violating this shall be subject to severe punishment.
2. No one shall enter the country to trade without the consent of the Lord of Shima. However, this shall not bind the natives, who may travel at will.
3. Acts of violence towards the natives are strictly prohibited. This rule shall be observed to the letter, and anyone found violating it will be severely punished.

March 27th, 9th year of Keicho.

TO HIS HONOUR SHIMA MATSUMAI.

YEZO RULED UNDER CONTRACT.—The relationship between the Tokugawa Shogunate and the Matsumai clan was quite different from the usual relations to daimiates. Although the extent of territory under the jurisdiction of the clan covered the entire country of Yezo, or what is known to-day as Hokkaido, yet the governed territory was not known in terms of so many thousand kokus. It was known only as the entire land of Yezo, for the inhabitants were chiefly Ainus and the country in a primitive state. The clan chief was not obliged to reside in Edo during a certain part of the year, like other daimyos, but had only to proceed to the capital once in five years to pay his respect to the Shogun. The Shogunate, in fact, treated Yezo as if it were a colony, and the form of Matsumai's governorship may be likened to the administration of Sarawak and Borneo under the British, i.e. government by a chartered company.

THE ADMINISTRATIVE POLICY OF YEZO.—There was hardly any development in the agriculture of Yezo at the time, and as the Matsumai clan saw to it that no such development was made, the natives turned to hunting and fishing and the Matsumai clan supplied them with daily staples in exchange for the game, the right so to trade being granted to certain merchants called contractors. For this reason the following three regulations were issued in Matsumai, Hakodate, and Yesashii:—

1. It is prohibited to enter into direct trade with Yezo.
2. Those entering Yezo without due reason shall be fined.
3. In the intercourse with natives, oppression and injustice must be carefully guarded against.

THE ECONOMIC SYSTEM OF MATSUMAI.—Further, to limit the influx of the Japanese, barriers were set up in the east and west of Matsumai helped out by watch-houses built at the harbour entrances in order to stop the entry of unemployed samurais and wandering priests. Anyone sojourning in Matsumai after the first year was subject to poll-tax, and when June had passed expelled from the country, chiefly because of the lack of rice and salt. In its attitude to the natives the policy was quite negative; they were not supplied with cereals and forbidden to learn the Japanese language or in any way to adopt the ruler's customs, which the authorities believed to be the easiest way to govern them. In all other spheres native administration was entirely left to the contractors. It followed from these conditions that the Matsumai family was unable to pay its retainers in rice, as was the custom in the other clans, but by grants of fishing-grounds. The provinces of Shari, Soya, and North Yezo were under the direct jurisdiction of the clan, and bids were made for the special rights by the contractors who paid in money and products. The total income of the chief, it is said, amounted to 60,000 ryo, which made the clan very well to do. When a contractor obtained special rights over certain specified territory and the governing of the natives, he built guard-houses and working-huts in the sphere under his jurisdiction and then dispatched interpreters, managers, and guards to superintend the natives while fishing. The clan officials usually went to Soya, Atsugashi, and Kunajiri to inspect the seal furs, falcon and eagle feathers which were to be presented to the Shogunate, but otherwise the government of the natives was left entirely in the hands of the contractors. In their desire to make money the traders were apt to use false weights and measures, and treat the natives very unjustly. In the collection of taxes great severity was exercised, and there were frequent disputes between natives and traders, and traders and clan, resulting at long last, in 1789, in an uprising of the natives in Kunajiri, who destroyed the working-huts and killing over seventy Japanese, and only after the Matsumai clan had dispatched thirty vessels was the revolt suppressed. Reports regarding the Matsumai administration reached the Shogunate through different channels, and when the Kunajiri incident became known, various criticisms were made, and it became one of the remote causes of the restoration of the fief to the Shogunate; but it was only after the relationship with the Russian territory in the north began that the Shogunate started exploiting the country with any seriousness.

THE RUSSIAN RULE IN CHISHIMA.—The Russians started their exploitation of the Far East in the late 16th and early 17th centuries. In 1555 Russia sent a colony of Cossacks to Siberia, and in 1689 Peter the Great signed the Treaty of Nerchinsk with China and afterwards frequently dispatched ambassadors to the Chinese Court. In 1697 she sent troops to the Peninsula of Kamchatka and subjugated the whole of Siberia by 1707, and gradually came southward as far as the Chishima group. In 1715 the neighbouring islands to Kamchatka were subdued, and in 1730 a rebellion of the natives against Russian rule immediately quelled. In 1740 Behring navigated the seas of these parts under the commission of the Russian Government, and during the cruise discovered the strait dividing the Peninsula of Kamchatka and Alaska of North America which to-day bears his name.

THE FIRST APPEARANCE OF RUSSIAN SHIPS.—Although the Russians arrived thus early in the northern parts, the first instance of a Russian ship entering the territorial waters of Japan was in 1739, when, on the 25th of May, a Russian ship anchored off the coast of the town of Amatsumura Awa, where she took on water and vegetables and disappeared, leaving behind seventeen strings of beads, seven loose beads, and silver coins, which, when shown to a Dutch captain, were found to be coins of Muscovy. For the first time the Shogunate knew that the northern lands were the Russian frontier, and on the 8th of June issued an order for stricter sea defence. On the 28th of the same month a strange ship was sighted off the coast of Shimoda, which most likely was one of the Russian ships, in all probability the large ship dispatched in 1736 to these waters by the Russian Government under the command of Sparkenburg, a Dutchman, to open trade with Japan and China.

THE SOUTHWARD ENCROACHMENT FROM KAMCHATKA.—After the discovery of the Behring Strait in 1741 a grand southern movement took place, when the corrupt state of Japanese administration prevented it from stretching its arm so far, and the Russians took possession of Chishima, changing the name to the Kurile Islands, ordering the natives to make gifts in furs and engage in fishery, their main purpose being to get seal furs for export to America. While Tsunayoshi, the Shogun, was oppressing his subjects with his dog-protecting policy in the latter part of the 18th century, the Russians seized Kamchatka, a corrupted form of two Ainu words, Kamo Sasuka, meaning to cure meat. In 1769 the Russians placed a tribal chief on each of the Kurile Islands, assessing every male inhabitant at one fox pelt, and, in fact, governing these northern islands by proxies just as the Matsumai clan entrusted the work to the contractors.

THE RUSSIANS SEEK TO OPEN TRADE FOR THE FIRST TIME.—On the 9th of June, 1787, two Russian vessels came near Nemuro of Yezo, and through the Ainus presented a letter and gift proposing to open trade relations, for there was a dearth of food supply in Kamchatka and the northern islands. An officer of the Matsumai clan took charge of the negotiations, but as he was not in a position to make an independent decision, referred the proposition to the clan chief, telling the Russians to return the following year, when a reply would be made. In the meantime he returned to Matsumai in order to make a detailed report, as a result of which the chief dispatched another officer and negotiations were opened. The final reply was very curt: "The only port open to foreign trade is Nagasaki. In all others it is strictly prohibited by law, so your proposal cannot be agreed to, and it would be waste of time for you to return." In 1753 a certain Tokubei of Nambu, with sixteen men, drifted to Kamchatka, where some of them died, and the seven remaining members of the party were employed by the Government of Siberia, one of them, Rihachi, marrying a Russian woman and becoming proficient in the language. Later, when a marine school was established in the province of Irkutsk, a chair of the Japanese language was established and the language taught by the shipwrecked Japanese. In 1770 a Russian ship loaded with northern products was about to start for Russia proper when Hambengoro, a Prussian officer who had been imprisoned in Siberia between Kamchatka and Okotsk, forced himself on board the vessel and commanded that it sail to the southward. A Russian official, Basseloff, aided him, and they drifted over to the shores of Awa, where they received a supply of water and fuel. The ship then went to Oshima of Satsuma, where the inhabitants helped her to continue her voyage. When at Oshima Hambengoro wrote a letter to the Dutch captain stationed at Nagasaki, in which he disclosed the Russian policy of southern encroachment, concluding that she would surely attack Matsumai. However, the Dutch captain in making his report to the Shogunate ignored the warning, stating that it was news that did not deserve credence and that there was no such rumour in Europe at the time of his departure.

Russians and Japanese exploit Saghalien.—After the Russians had administered the Chishima Islands for some time, they landed in Karafuto (Saghalien). Although this land is said to have once belonged to the Matsumai clan, in fact there was no system of administration. It was only that the Yezo Ainu went there to barter with the natives or while the latter came to Hokkaido for the same purpose, bringing raw products such as eagle feathers, furs, quartz, etc., to get liquor, rice, iron utensils, tobacco, etc. The right of ownership was not therefore very distinct, though it is a fact that in 1672 Matsumai officials, on an inspection journey through the islands, landed in Karafuto, it may be maintained, as the pioneers. Further, in 1679, under the orders of the clan, Shirobei Atsuya went to Kushunkotan, where he established stations, which, about the year 1684, were abolished. In 1700 the island was registered in the clan register of Matsumai as Karafuto Island with twenty-two centres. The southward progress of Russia now went on quickly, and at this time in 1780 we find two Russian ships entering Karafuto, while in 1789 they came to survey the island at the Russian end and made presents to the natives. In its turn the Matsumai clan dispatched Seizayemon Takahashi to establish fishing stations and bartering places and to investigate the whole country. The Japanese management of Saghalien begins with this expedition.

Russia again seeks to open Trade.—In 1782 seventeen fishermen of Ise who were shipwrecked in the Bay of Suruga and drifted to Kamchatka were rescued and sent to Irkutsk, when the provincial Government decided to send back those desirous of returning home in the company of a Russian representative, Captain Laxman, who was instructed to open trade connections in the name of the province. The party started with three Japanese, one of whom died at Kamchatka on the way, in September 1794, and reached Nemuro. Upon their arrival the Matsumai clan reported the news to Edo, when the Shogunate dispatched Shogen Ishikawa and Daigaku Murakami, who met the Russian delegates at the shore villa of the Matsumai clan in June of 1795. On this occasion the Shogunate's representative returned the letter sent to the Matsumai clan, at the same time telling them that intercourse was strictly prohibited, and refusing all presents. Furthermore, they were told to go to the Nagasaki should they hereafter want to enter into negotiations. Laxman therefore returned home. The two fishermen, Kodayu and Isokichi, were brought to Edo, where they were called to the Shogun's presence and questioned about Russia. Later, they were given homes in the Koishikawa Garden to spend the rest of their lives, Kodayu being then forty-two and Isokichi twenty-eight years old. While in Russia

Kodayu was given the opportunity to travel to the Russian capital, where he was received in audience by the Empress.

The Shogunate's Policy of educating the Ainus.—In such a way were the Russians encroaching on the Chishima Islands, and in 1797 erected a cross on Etorofu. In March of 1798, faced with this Russian encroachment, and hearing that the cross had been erected at Etorofu, the Shogunate dispatched Kyuzo Watanabe, Naizen Ohkawa, and Toyemon Mihashi to Matsumai as commissioners of Yezo, who returned with their report at the end of the year. From their investigations conditions in Yezo gradually became plain, and with their additional knowledge the Shogunate became aware of the seriousness of the Russian ambition, and finally, in January of 1797, the Matsumai clan was made to entrust the northern portion of Yezo and the surrounding islands to the Shogunate for seven years, during which time the Shogunate undertook the jurisdiction directly. As compensation Lord Matsumai received a fief of 5,000 koku in Boshu, and a commission was appointed composed of such men as Shogen Ishikawa, Seiyo Habuto, Okochi, Mihashi, and Tadaaki Matsudaira to control Yezo. For the first time the Shogunate recognized the territory of Yezo as a colony and attempted to make Yezo what is Hokkaido at the present day. The view of the new commission was that the most important measure was the education of the Ainus and abolition of the various restrictive measures existing from times past. Efforts were made to teach the natives Japanese manners and customs, rule by contract was abolished, official residences were built, and trading and production were looked after to control profiteering traders. To carry out the policy a sum of 50,000 ryo was voted. The Shogunate approved, and in February of the same year a Blue Book upon the development of Yezo was issued, which laid down the basic principles for the administration of the country. In the same month three members of the commission departed for Yezo accompanied by a few assistants and seventy lesser officials. On the way to their destination they visited various localities, issuing regulation. Tattooing was prohibited, the bear festival was forbidden, physicians were installed at different towns, a market place was built, officials were instructed to inspect trade, cattle and horses were imported to aid the people in their work and other reforms made. The posted laws were :—

1. No person shall worship the forbidden religion or bow to foreigners, and any violation of this law will be severely punished.

2. Murder is absolutely prohibited and subject to capital punishment.

3. Any person found cheating or stealing shall be punished according to the act.

The island of Etorofu was an important strategical point and it was necessary to make the place a fortified zone. Owing to the strong current in the channel the Ainus had hitherto only crossed the waterway during clear weather in small craft, and the Shogunate was fortunate in finding a Hyogo seaman by the name of Kahei Takataya, who, in 1799, succeeded in opening a route, after which he was given the charter of transporting Government cargoes to Etorofu. In the following year Shigezo Kondo, with Kahei, crossed to Etorofu, where they pulled down the cross erected by the Russians and planted instead a post signifying that the country was Japanese territory, establishing a system of villages and townships and selecting Shana as the market town. Kahei also opened seventeen fishing-stations, and gave the natives fishing appliances and daily necessities and taught them fishing methods. Thenceforward, Etorofu was made a definite territory of Japan.

Civil Administration of Yezo.—Notwithstanding that the Bunkwa and Bunsei eras were the climax of corruption and lax discipline in the political administration of Edo, yet in Yezo the duties were accomplished with sincerity and earnestness, which may be due to the fear of Russian encroachment. The officials not only considered the financial self-support of the colony, but they really from the bottom of their hearts desired to civilize these parts in order to make them the northern gateway of the Empire. In 1793, to commemorate the official inspection, a bridge was constructed in Hakodate called Eikoku-bashi, various public works were undertaken, temples built and prizes awarded to girls for filial piety, and other such steps taken. Especially after 1804, through the efforts of Seiyo Habuto, encouragement was given for the laying out of new rice-fields, in pursuance of which agriculturalists were invited to settle in the country, huts were repaired, agricultural implements supplied, and other means taken to realize the purpose. In 1805 lands for rice-fields comprising 140 cho and 20 cho for ordinary fields were broken up, the necessary expenses being met from the returns of the Government transports. It was customary up to the time to turn over to the administration all the surplus after deducting expenses and depreciation, but owing to the unlimited sphere of reforms, and as overhauling had to be done by the Government, the income was quite nominal. It was decided to make repairs from the reserve fund of the Hakodate produce exchange; 5 per cent. of the freight returns went for running expenses, 1 per cent. for repairs and 4 per cent. for reserve, after which Kahei Takataya pocketed the rest and undertook the whole service between Hakodate and Edo.

The Karafuto Question.—Karafuto, then known as West Yezo, still belonged to the Matsumai family, and in 1805 Edo Kinshiro

Toyama and Sadayu Muragaki were dispatched there to investigate and report. On the return of the commissioners it was decided to absorb the entire land of Yezo, and in March the Matsumai family was dispossessed, receiving as compensation land yielding an aggregate of 18,000 koku in the main island. The island thus absorbed into Japanese territory, the policy was mapped out as follows :—

1. Localities where the Matsumai family had maintained direct administrative offices shall be taken over by the Shogunate, while the remaining parts shall, temporarily, be entrusted to licensed parties.

2. That a sum of 30,000 ryo be granted to cover expenses required during the first years of direct jurisdiction.

3. Sixteen additional men are required whose salaries, estimated at 2,000 ryo, can be met from the sum voted for salaries in East Yezo, which were estimated at 10,000 ryo, of which only 5,800 ryo was actually spent.

4. Monetary grants to the Matsumai family shall be made from the Shogunate coffers.

THE COMING OF ADMIRAL RESANOFF.—Just as the two Hakodate Bugyo, Toda and Habuto, had been entrusted with the government of Karafuto, the Russians entered Etorofu and captured the place. Holding themselves responsible for the affair the two Bugyo resigned, which gave a setback to our progress in the north. Some years before, a Russo-American company had been established in Russia which monopolized the fisheries, fur hunting, and trade in the Okotsk Sea, but owing to friction between the Russians and the Americans the enterprise had to be given up, until Resanoff, one of the aides-de-camp of the Tzar, became the governor of the company, when activities began again. It took two years to transport by land the products of the Behring and Okotsk Seas to the Russian capital, so it seemed better to trade with the north by sea and on the return voyage to carry cargoes to India and the surrounding parts. For this purpose the Tzar made Resanoff a count and sent him to Japan as ambassador to open trade. The mission, accompanied by four shipwrecked Japanese sailors, left Kronstadt in two ships in July 1803. The expedition touched at English ports, crossed the Atlantic to Brazil, rounded the Horn, and entered the Pacific, where the two ships parted, the ambassador proceeding alone to Kamchatka. Thence he sailed the Tokai Sea, and after encountering very stormy weather dropped anchor outside Nagasaki on September 6, 1804. An official at once came aboard, to whom the ambassador showed the letter received in Yezo some years before, and said that he had come with credentials to return the shipwrecked sailors and open trade relations. The Shogunate officials ordered the landing of all arms, prohibited every one from coming ashore, asked for and took away the note, and, further, proposed that the credentials should be presented on board the ship.

Resanoff replied that he intended to present his credentials in Edo, and would hand a copy to the Governor of Nagasaki when he saw him at a formal reception. After long arguments the Shogunate officials managed to obtain custody of the copy, the contents of which were reported to Edo, and the Russians were told that all foreign vessels were strictly banned from entering the harbours, but since they had a letter written by Japanese officials they were asked to remain where they were until instructions came from the Edo Government. The different clans were ordered to keep watch on the surrounding country and patrol boats surrounded the Russian vessel, which kept Resanoff and his countrymen on board for some months with nothing to do. The ambassador himself fell sick and requested to be allowed to land, which was finally consented to. A small hut was built on the barren seashore surrounded by a strong and close bamboo fence, and here he was permitted to remain only during the day. The vessel badly needed repairs after her long cruise, and permission was asked for facilities to carry them out, as well as storage of the presents on land and shore leave for the crew, but it was not until seventy-six days after Resanoff's arrival that the vessel was permitted to enter port. All this red tape goes to show the extent of the incompetence, negligence, stupidity of the Shogunate officials.

The Russian Proposal refused.—As a matter of fact, the Shogunate had had no intention of opening the country from the beginning, more especially since Daigaku Hayashi and Hikosuke Shibano particularly were against the step as they were afraid that it would cause the spread of Christianity and an outflow of the precious metal. Kinshiro Toyama was dispatched south with a note, and on the 6th of March the Russian representative was summoned to the Governor's office to receive it and was told that as foreign intercourse was contrary to the law a favourable reply could not be made. The presents were refused, but rice, floss silk, etc., were sent to the seamen, who were ordered to lift their sails immediately. Not only did Resanoff fail in his mission but lost the Japanese note which he had brought with him, and on March 20th left Nagasaki in high dudgeon and vowing vengeance. He is said to have attributed his failure to the intrigues of the Dutch, but in fact the Dutch captains wished to see the country opened to foreigners. However that may be, the angry envoy passed through the Soya Straits and searched Japanese vessels on the shores of Karafuto.

Russian Motives.—In the January following the departure of the Russians, the Shogunate issued an order to the daimyos on the seacoasts relative to the treatment of foreign vessels, the gist of which was: If a Russian vessel appear at any part of the country it must immediately leave our shores, but should it be in want of water, fuel, or provisions, such should be first supplied. If it refuses to leave, it may be attacked, as enjoined by the order of 1791. Between 1806 and 1807 there were frequent incidents, due entirely to Resanoff, who seemed to have no desire to plunder or encroach but to force the Shogunate to enter into trade relations. For instance, Japanese prisoners were always treated kindly—Russians, who had killed Japanese without reason, punished; and when destroying guard-houses care was taken to make prisoners of the garrison. The Russian ships would then approach Japanese shores to return their prisoners and beg for the opening of intercourse. The only effect of this policy was to create enthusiasm in Japan for coast defence and intensify Japanese hatred and fear of the Russians.

A Russian Attack.—On September 23, 1806, when the clan officials were away, a Russian vessel landed a party on Karafuto, commanded by Captain Chvostoff, and made prisoners of four guards, seized 300 bales of rice, saké, and other commodities, burned the offices, warehouses, and ships, and then left after proclaiming the ownership of the island by setting up a copper plate and leaving a written document. It was not until March of the following year, when the officials returned, that they heard of the incident, which they at once reported to the Matsumai headquarters, the news reaching Edo in April. The Matsumai clan dispatched a small force northward at once, and the Governor of Hakodate ordered Nambu and Tsugaru to dispatch troops towards Soya. The Governor of Hakodate wanted to proceed to Karafuto immediately and defend the island, but the Shogunate officials demurred and the Matsumai men who had already reached Karafuto were recalled and made to guard Soya. In April the next year, accompanied by another ship, the Russian captain landed in Eterup, and on the 22nd appeared before Naiho, where he captured five men, seized 300 bales of rice, 600 bales of salt, salmon, saké, tobacco, and other miscellaneous goods, and burned the guard-houses and warehouses and then returned to Eterup. On the 29th he came in sight of Shana, which was held by a garrison of Nambu and Tsugaru troops. These men could not cope with the superiority of Russian arms, and were, moreover, very short of powder, as the guards had been in the habit of smuggling trade goods into the country under the guise of powder. There was nothing for it but to retreat to Hakodate, and on May 1st and 2nd the Russians pillaged the place and burned the Government offices, shrines, and warehouses.

Edo Panic-stricken.—The news struck Edo like a bolt from the blue, one rumour following hot upon another. There was much heated argument, and Kumpei Gamo wrote an article lauding the foresight of Shihei Hayashi, and hinting at the stupidity of the authorities. Among the scholars of the Dutch school there were many who laid the blame on Sadanobu Matsudaira, who, while granting credentials to the Russians, refused to recognize them when presented and treated the bearer with studied coldness. Such men as Genpaku Sugita and Kokan Shima maintained that this was contrary to fill international etiquette and were backed by many others, while on the other side were fanatics who insisted upon attacking the foreign barbarians. The Shogunate at once ordered the Tsugaru clan to dispatch reinforcements of 700 men, the Nambu clan 1,500 men, the Satakes of Dewa 3,000 men, and the Sakais of Shonai 324 men. The territories of Matsu, Dewa, Echigo, etc., were ordered to keep a strict watch over their coasts. Kinshiro Toyama, Iyemon Kosuge, and Daigaku Murakami were appointed commissioners of Yezo along with Juzo Kondoh. In June Hotta, lord of Settsu and junior councillor of the Court, set out to inspect Yezo with 221 warriors and 700 guards. Twenty thousand bales of rice, 500 barrels of miso, 200 barrels of pickles, 200 bags of dried plums, and 300 bags of salt were shipped from Shinagawa to Hakodate. The Hotta party returned to Edo in November, and agreeably with their report the Sendai clan was commanded to send up 600 men, and the Aizu clan was also bidden to send a contingent, in return for which the daimyo, Matsudaira, was given the hand of the Shogun's daughter. The Nambu clan, moreover, was raised to 200,000 koku and the Tsugaru clan to 100,000 koku. The Governor of Hakodate was relieved of his office and replaced by Kawajiri, lord of Higo, and Arao, lord of Tajima. In December daimyos of 10,000 koku and above ruling over the coast territory were ordered to attack any Russian vessel which might appear off their shores.

INTIMIDATIONS OF CHVOSTOFF.—The Russian ship under Chvostoff which had made the Japanese tremble, as described, while cruising near Rishiri Island, met and burned a Government ship, the *Manyo-maru*, after seizing the cargo, and then, landing on the island, burned the guard-houses. On his departure, Chvostoff released his prisoners and allowed them to return to Soya, carrying a letter to the Governor of Matsumai. The letter was in Russian, but had a translation on the back in Japanese characters, the meaning of which was as follows :—

> Owing to the proximity of our territories we have frequently requested you to enter into trade relations, which if it could be agreed upon we should consider extremely fortunate, but although we have frequently visited Nagasaki with this object in view, we were always received coldly, without being favoured even with a reply. If you cannot give us the treatment granted to

the Dutch, we shall have to use force to make you agree to our wish. If you persist in refusing to accept our proposal we will then take possession of the entire country. We should prefer a favourable reply if possible, but, in the opposite event, it would be perfectly easy to dispossess you of Eterup and the surrounding islands. If you see your way clear to open intercourse we would endeavour to maintain friendly relations for ever. In the contrary event we shall dispatch a fleet of armed vessels and repeat in worse degree what we have done in the past.

(Signed) GREAT RUSSIA.
CAPTAIN OF THE CZAR'S SHIP.

TO THE GOVERNOR OF MATSUMAI.

JAPAN'S REPLY.—Uheida Takayama, officer in charge of the Soya station and inspector of the Hakodate office, wrote the following reply:—

We congratulate you on your continued activity, and in reply to your letter we beg to advise you that your request cannot be accepted. If Russia had any manners she would not start plundering and attacking because there was no intercourse, and after such intimidation would not propose the opening of trade at the point of the sword. It is impossible to have any relations with a country which is so insolent and unmannered. You may dispatch as many warships as you like, and we will be ready to defend our shores. If you desire to trade with this country, change your methods and show your good will by returning all the captives, and then talk business. In such a case we will see that a reply, favourable or otherwise, be conveyed to you at Karafuto by June next. If you cherish no ill motives, then depart in peace from these shores to your own. Should there be any mistakes made by either of us, there would be no chance whatever of opening intercourse.

THE EMPIRE OF DAI NIPPON.
UHEIDA TAKAYAMA.

TO GREAT RUSSIA.

Uheida, of course, had no wish to enter into relationship, and, moreover, had no power to make a final decision. His scheme was to lure Chvostoff to these shores and entrap him in an ambuscade. Whether this letter ever reached its destination is not known. Chvostoff, after reducing the houses on Rishiri to ashes, returned to Okotsk and was imprisoned by the Russian Government for having prejudiced its relations with Japan. He managed to escape to Russia and was afterwards drowned in the Neva. The two Japanese captives, Goroji and Sahei, whom he did not release attempted an escape by sea but drifted northward. After severe hardships, Sahei succumbed. Goroji miraculously managed to return to his native country. Although the governmental official at Soya had no idea of entering into friendly intercourse, his letter to Edo caused many to advocate the cutting off of trade relationship with China and opening it with Russia. But the Shogunate could not come to any decision and ended as usual by issuing orders to guard the coasts more strictly. If the Russians had taken the trouble to knock once more at the door in all probability the Shogunate would have given in, but, owing to Chvostoff's imprisonment and the unpromising outlook for the Russo-American Company, nothing came from the north. The Shogunate, therefore, was wasting its money on coast defences.

THE CAPTURE OF GOLOWNINE.—In the summer of 1810 ten Ainus came to Shana in Eterup on board a Russian vessel, and when captured and questioned were proved to be spies working under Russian orders. They were clapped under lock and key and report made to Matsumaye, and on to the Shogunate, but the Shogunate officials did not think it advisable to detain them, as it would rather invite the coming of the Russians. In May of the following year Takehei Ishizaka was about to leave for the northern end of Eterup to set them free, when a Russian survey ship commanded by Captain Golownine approached the island. Takehei and his followers made preparations to attack, but learning that the strangers wanted only water and provisions, he told them to proceed to Furibetsu, where their needs would be supplied, and gave them a letter of introduction. The Russian ship proceeded to Kunajiri and was sighted off Kemurai point, when all preparations were made by the garrison of Nambu men to meet her. On the 27th of May, 1811, after the mist had cleared, the *Diana*, so she was named, was seen anchored only about 30 cho from the shore and a boat already on the way to the land. The commandant of the station at once gave orders to open fire against the Russians. On the following day, the 28th, the Russians floated off a barrel packed with rice, wine, felt, knives, etc., to show that they were seeking trade, but on the 29th they secretly landed on the point of Kemurai, which though visible from the Government office was 2 ri away by land, and entered the guard-house, where they took away 16 bales of unpolished rice, 2 koku of rice malt, 3 to of saké, 10 bundles of fuel, 1 saw, and a sampan, leaving in payment 2 rolls of Chinese cloth and 2 fur gloves. Their barrel was returned with a note informing them that should they land with a small party no harm would be done them, but should they attempt to land with a large party an attack would be made. The Russians picked up the message but were not able to decipher the meaning as it was written in Japanese, and on the following day, June 2nd, landed with a party numbering about fifteen men, who informed questioners that they wanted food supplies. They were told to come to the office, but refused, and a meeting on water was agreed upon, both parties meeting the same afternoon near the point where the barrel was set afloat. The Japanese insisted that they come ashore, but the Russians requested that a supply be made on the seas, and they parted without coming to any agreement. On June 3rd the captain landed with a party and was met by a petty official, who told them that should they return the next day an interview would be arranged with the commandant of the station. As the attitude looked very friendly, Captain Golownine, with five others, landed and met Sayemon Nasae. It is said that the Russians seemed to be trying to explain the actions of Chvostoff, but nothing could be understood. Sayemon remarked that the matter of opening trade must be referred to Matsumai and suggested that they remain at anchor, leaving one of the crew with him as a hostage. Golownine wished to confer with his officers before deciding and prepared to leave, when the guards arrested the entire party, who were dispatched to Hakodate, meeting great hardships on the way. The captain was put up for trial frequently, but there was no evidence to prove that his mission was for any purpose but surveying. He explained that Chvostoff had been punished as a pirate and his letters and copper plates had not the official sanction of the Russian Government. On the 25th of August the prisoners were transferred to Matsumai, where they were again tried, and in October were made to tender a written report of their mission, which satisfied the Governor that they had no hidden designs, after which he treated them very well and reported the case to Edo, asking the Government to sanction more liberal treatment. Teisuke Murakami was ordered to study the Russian language under them, and as New Year's presents they were given new clothes. Unexpectedly enough, the Shogunate issued an order in February 1812 that any Russian vessel sighted off the coast should be immediately attacked, and that it was unnecessary to return the Russian prisoners. Golownine and his fellow-prisoners had hoped that they would be freed, and when they learned that their treatment was, on the contrary, to become more severe, some of them attempted without success to escape.

The Capture of Kahei Takataya.—In June 1812 the *Diana* returned to Kunajiri, under Captain Rikoltz, with five shipwrecked Japanese sailors and Goroji, long chief of the Ainus in Kamchatka, and sent the Japanese ashore offering to exchange prisoners. The officials replied that Golownine and his party had already been put to death, but as he doubted it Rikoltz dispatched Goroji ashore in order to ascertain the truth of the report. The officials detained Goroji, and the Russian captain began to search the high seas for Japanese to find out the exact truth. On September 7th he captured the *Kwanze Maru* and made a prisoner of Kahei Takataya, who happened to be on board, and from whom he learned that his friends were still living and safe. Kahei was so serene and attractive that the Russians liked him and decided to take him back to Russian territory in order to find out more of the conditions of Japan. Kahei believed that anyone taken to Russia was as good as a dead man, so proposed that his four servants be allowed to go free, but the Russians refused to grant the request, and he and his four followers were carried to Russian territory.

RUSSO-JAPANESE MISUNDERSTANDING REMOVED.—Kahei Takataya was a native of Awaji, and starting life as a seaman afterwards went to Hyogo to seek his fortune. He engaged in various lines, and when he had made a little capital, he built vessels and started a shipping line, operating in Matsumai trade between the northern territories, Hyogo and Osaka. With such connections he became one of the contractors who had been entrusted with the governing of the Ainus. According to the Russian record, on board the *Kwanze Maru* at the time of capture were Kahei, his younger brother, and twenty-seven sailors, of whom two were women. After reaching Ohkotsk, Kahei began to explain that Japan did not look on Russia as an enemy and the ill-feeling was all due to the depredations of Chvostoff. Such discord, he said, was deplorable, and he begged to be permitted to undertake the work of clearing up all misunderstandings. He so far impressed the Russians that in May 1813 Rikoltz again returned to Kunajiri and set Kahei and his followers free, at the same time making them request the return of the Russian prisoners. The Shogunate had prepared a letter in order to give the Russians should they return, to the effect that if Russia disowned Chvostoff, matters might be arranged. The letter was translated into Russian and entrusted to Kahei to forward to the Russian ship. The Governor of Kamchatka, who was on board the ship, proposed to go himself to Hakodate and there make an explanation. But the commandment hesitated and referred the matter to the Governor of Matsumai, who decided that a written explanation from a higher and more responsible official was necessary. This reply was conveyed to the ship, together with a demand for the return of Chvostoff's boat, and bearing this answer the Russian ship set sail, to return in autumn with a letter from the Governor of Irkutsk. The vessel first anchored at Tomoya, but proceeded to Hakodate, where a bonfire was lit to warn the stations to keep strict guard while Kahei was ordered to go aboard. On May 19th Rikoltz, who represented the Russian Government and was empowered to negotiate the settlement of boundary lines, landed and tendered the officials the Governor's letter, at the same time offering presents. The Japanese officials handed him a letter explaining why trade relations could not be entered upon, returned the prisoners, declined the presents, and supplied the ship with fuel, water, and foodstuffs. In such a way the misunderstanding existing from the time of Resanoff was totally removed, partly by the Shogunate's concessions made from fear of Russia as a powerful neighbour, and partly by the good office of Kahei Takataya rendered at the risk of his life. As a reward he was reinstated in his former position and granted a monetary compensation, and the Lord of the Awa clan gave him titles and permitted him to become one of his retainers.

Negotiations on National Boundaries.—In October 1813 the Governor of Matsumai completed an inspection trip of the Yezo territories and tendered a report to the Edo Government, and as, in January of the following year, a Russian mission to settle the boundary lines was expected, a conference was held as to the nature of their treatment and upon the national boundaries. Japan's territories were the land south of Eterup, while Russia's should be north of Shimoshiri, while the zone at Urup and the surrounding islands should be made neutral. Entrance into trade relationship was refused, and shipwrecked persons were to be received at Urup. In September, according to the suggestion of the Matsumai Governor, the Nambu and Tsugaru clans were relieved of their services owing to the expenses incurred and because the Russian menace had disappeared. Further guards at such extreme points as Eterup and Kunajiri were considered unnecessary, but the guards at Hakodate and Matsumai were to be maintained as usual. Russia's attention, however, was now entirely devoted to the European continent, and she had no time to further her interests in the Far East, which accounted for the absence of Russian vessels in those waters for a long while. Thus the Russian menace ceased to harrass the Japanese people, and Yezo, which had been under direct jurisdiction of the Shogunate for diplomatic reasons, was, in the 4th year of Bunsei, returned as the fief of the Matsumai family.

CHAPTER LXXIII

THE APPEARANCE OF ENGLISH SHIPS

First Anglo-Japanese Relations.—The English are not strangers to the Japanese. In 1600 a Kentishman named Will Adams came to Japan as pilot on a Dutch ship and was employed by Iyeyasu, the Shogun, as his foreign adviser, receiving treatment equal to that of a hatamoto. He resided in an imposing mansion at Hemmi, Sagami, and under the orders of Iyeyasu he built a vessel of eighty tons on a foreign model. In 1611 the East India Company dispatched John Saris to Japan in the *Globe*, which, in 1613, arrived at Hirado, where an English trading station was established, only to be abandoned in 1620 on account of inability to compete with the Dutch. After that, for a prolonged period, the European trade was in the hands of the Dutch, and the Japanese came even to forget the existence of such a country as England, until May 1673, when the *Return* appeared at Nagasaki to negotiate for the East India Company the opening of trade, on the strength of a charter granted under the seal of Iyeyasu at Hirato fifty years before.

Much had happened in this fifty years: the persecution of the Christians, the prohibition of foreign adventure or travel, and the limitation of foreign trade except with Holland and China. No intercourse was allowed with any other race, and the Shogunate, in addition, suspected England of being a Catholic country and received with incredulity the reply of the captain that although the King of England had married a Portuguese princess, England was not a Catholic country. In the event, commercial relations were refused, and the *Return* left Nagasaki on July 20th.

The English approach Japanese Seas in search of Furs.—The English then gave up the idea of attempting to enter into trade with Japan, but, in 1778, when Captain Cook was exploring the regions of Alaska he found out that the furs obtained there could be marketed in China, and English vessels began to ply between Alaska and China with furs and other cargo, but although these ships passed near the Sea of Japan for many years, the natives knew nothing about it. The Russians had been the first to collect the furs of Alaska, the islands of the Aleutian groups and Kamchatka, sending the best pelts to Russia and inferior skins by land to China, but in 1785 an English ship first carried 500 sea-otter skins to China by water, proving it to be a very paying enterprise. She was followed in 1786 by the *Captain Cook* and *Experiment* carrying 604 sea-otter pelts, which were sold for 40 dollars a piece, and keen competition began for the supremacy of the trade. In 1792 it is said that a ship, supposed to be English, anchored in Kumanoura Bay of Kii. According to Hildreth, in 1792 the *Argonaut* came to Japan and tried to open trade, which was refused, though the ship received a supply of fuel and water. This was probably the ship in question.

BRITISH SHIPS APPEAR IN THE HOKKAIDO WATERS.—In autumn of 1796 an English vessel appeared in the seas of Hokkaido, where she got a supply of necessaries. She dropped anchor in Etomo Bay, but before the official from Matsumai could reach the place she disappeared, to be sighted again in September making for the south-west. In July 1797 she stopped a fishing-boat in the Sea of Tokaido and asked for fish, in return for which the captain gave the fishermen a bottle of wine and four cans of beef. In the sea of Awa she fell in with a Choshi fishing-boat and entertained the crew to a dinner on board, making them a parting present of a glass jar and a box of sweets, and afterwards proceeding north-east. She was sighted by fishermen of Hidachi, who rowed out to get a better view of her, and on July 19th dropped anchor off Yezo. There she filled up her water-casks, made a few repairs, and native women washed the ship's linen. The Matsumai clan dispatched Kengo to ask what their purpose was, and he learned from a Russian seaman among the crew that the vessel carried an Asiatic expedition party and was in the Yezo waters for the eleventh time. On this report the clan dispatched 300 soldiers, but the English smelt a rat and left on the 29th, putting out against the wind. In August the ship was sighted off the Matsumai coast but disappeared in the south-western direction. This vessel in fact carried an exploration party and was engaged in a cruise of exploration of the seas of India and the Northern Pacific.

THE DUTCH CHARTER AMERICAN SHIPS.—After this incident relations began between Japan and Russia, but English vessels did not approach our waters for some time on account of the Napoleonic Wars. The Netherlands was annexed to France and so became a belligerent against the English, and during the years 1797, 1799, 1801–3, Holland chartered American ships for her eastern trade to avoid capture. In 1797 a Dutch-chartered American vessel, the *Eliza*, entered the port of Nagasaki and the head of the port refused to permit any landing, but through the mediation of the Dutch residents the officials finally recognized the chartered boat as a Dutch vessel. After that the *Eliza*, while cruising the Pacific, flew the American flag, but on nearing Japan hoisted the Dutch colours. In 1798 she came again, and in 1799 was replaced by the *Franklin.*

VIOLENCE BY ENGLISHMEN AT NAGASAKI.—On August 15th of 1808 reports came into Nagasaki that a white sail was in sight, and at about the seventh hour she anchored at Point Takahoko, flying the Dutch colours, and the Shogunate inspectors, as usual, went out to meet her with two Dutchmen. Just as they were about to go aboard, guns were held at their heads and the two Dutchmen made prisoners, the Japanese officials just escaping and realizing that the stranger was an English ship. There was a great to-do, guards were set at all points and help summoned from Saga. After some negotiations the ship was supplied with food, fuel, and water, in return for which the prisoners were set free and the intruder left the harbour. All too late, succour poured in from the surrounding provinces, including 10,000 men from Saga, but the bird had already flown. The Commissioner of Nagasaki, Matsudaira, a patriotic and conscientious official, reported the matter to the Shogunate and committed suicide to atone for his failure. The head of the Saga clan was reprimanded and a number of his retainers committed hara-kiri, taking the responsibility on their own shoulders.

MORE ABOUT ENGLISH SHIPS.—During this period British vessels went and came between Canton and the northern seas in the fur trade, and owing to the increased number of ships engaged in fishing in the waters of the north, they naturally touched Japan. On the 27th of September, 1817, an English vessel appeared off the coast of Awa and sailed towards Oshima, chased by two guard-ships. On the 14th of May, 1818, a British vessel was on the point of entering the Bay of Edo on her way from Bengal to Okhotsk when she was noticed by a guard-ship from Uraga and forced to turn back to Uraga, where it was found that she was not short of anything but desired to enter into trade. The commissioner and others hurriedly made their way to the scene and confiscated all arms, and, watched by 200 boats, she was commanded to leave for her home port. The same ship had been at the island of Oshima for seven days in October the year before. On April 29, 1822, a whaler appeared off the shore of Awa and attempted to enter the Bay of Edo, but was made to shift her course to Uraga, where she was guarded by the soldiers of Lords Shirakawa, Odawara, and Kawagoye, while signal fires were lighted on the tops of Mounts Hirane and Shimofuri, which called up more than 70 vessels belonging to the neighbouring daimyos. Edo sent two officials, Baba and Adachi, who found that the ship came from London, had been cruising the seas for about three years and was completely out of fuel, water, and vegetables, while six or seven of the crew were ill with scurvy. The ship, therefore, begged to be supplied with fuel, water, provisions, and medicine, which was done, and she left Japanese waters.

Smuggling on the Shores of Mito.—On the 9th of June, 1823, a strange vessel came to the coast of Oarai, near Mito, where she approached to within about one mile from the land and left after investigating the mouth of Naka River. For six or seven years before a ship had always been seen off the coast of Mito from the early months of summer to the beginning of autumn, apparently whaling, and the local fishermen had been afraid to report the matter to Edo, lest they should get into trouble themselves. However, in 1823, when out after an extraordinarily large shoal of bonito, the fishermen unintentionally approached the ship, and were invited on board, an invitation none dared to accept until a bold spirit named Tadagoro summoned up sufficient courage. He was welcomed on the ship with wine and food, and on his second visit he was told of the profits of whaling and invited with a few friends to stay on board for two or three days. Thus the strangers and the fishermen became acquainted, and bartered such articles as tobacco-pouches and Japanese workmen's short coats against foreign articles, and the people of Mito soon joined in, entrusting the fishermen with Japanese paper, cotton and silk fabrics, etc., to be exchanged for Western novelties. In spite of the secrecy observed, the increase of foreign goods in the city aroused the suspicion of the officials, and finally the truth came out, when more than 300 fishermen and Mito citizens were subjected to severe inquiry. The British ship, however, showed no signs of departure but cruised in the near waters, and on the 28th of May of 1824 she neared the coast of Otsuhama, Hidachi, where twelve men were landed with guns. They were made prisoners by the Lord of Buzen, who asked for reinforcement from the Mito clan. When these troops arrived, it was found that the sailors had come ashore to obtain provisions and with no aggressive purpose, but they were detained nevertheless. On the 8th of August two more ships came to Otsuhama and landed fifty-five men, who adopted a peaceful attitude and asked for no more than the release of their compatriots. The rescue party were told to return after a few days, and an interpreter was asked for from the Shogunate. When he arrived, he questioned the prisoners and learned that they had come ashore in the first instance to obtain fruit and vegetables for the scurvy cases on board, bringing with them four guns, four spears, four swords, two rolls of felt, and gold and silver to make payment. The Shogunate officials promised to help them, providing they would never again approach these shores, and sent them a quantity of fresh fruit, vegetables, chickens, and saké.

On the 8th of August of the same year another British ship came to Takara-shima in Satsuma and asked for beef. Unable to understand the reply that no Japanese was permitted to deal with foreigners without official sanction, on the following day they came ashore again, and after intimidating the inhabitants with guns, slaughtered a few oxen and took some aboard alive. A guard managed to kill one of the marauders with his gun and the rest fled to their ship. Although the Shogunate saw the frequent visits of these ships, it did not realize that they were whalers, fur hunters, or traders, but always believed that they came with aggressive intent, and finally, on the 18th of February, 1825, Edo issued a decree ordering an attack on any vessel which approached the coast.

CHAPTER LXXIV

THE LATER PERIOD OF FOREIGN TRADE AT NAGASAKI

Changes in the System of Foreign Trade at Nagasaki.—In the later years the Portuguese were driven out of foreign trade at Nagasaki by the Dutch and the Chinese merchants, who consequently monopolized trading with the Japanese at Nagasaki. At first foreign trade at Nagasaki was a free trade, and every merchant, foreign and Japanese, was given an equal opportunity in trading there, but there soon grew up systems by which the freedom of trade was limited. When the Portuguese came first to Nagasaki to trade with the Japanese, trading there was perfectly free, except that under a system called Ito Warifu Ho or Silk Checking System, which was then in force, the raw silk business was handled co-operatively only by those merchants specially licensed by the Shogunate. The same system was later adopted for other imported merchandise at Nagasaki. In 1655, the 1st year of Meireki, however, the Shogunate discontinued the Ito Warifu Ho, and adopted instead another system, whereby the perfect freedom of trade was assured. But under the free trading system the prices of the imported articles tended to go up, and the Shogunate discontinued it in 1672, the 12th year of Kwanbun and adopted in its place another system called Shibo Baibai, or Municipal Trading, under which all the imported goods were purchased from the foreign traders by the Nagasaki Kaisho, a sort of a chamber of commerce at Nagasaki, which then resold them to the Japanese merchants. This system, in its turn, was discontinued in 1682, the 2nd year of Teikyo, and the old Ito Warifu Ho was again revived. In the same year the Tokugawa Shogunate, surprised by the increasing excess of imports over exports in the trade turnover at Nagasaki, attempted to check the growth of foreign trade in that port. The value of the trade by the Chinese ships at Nagasaki was limited by order to 8,000 kwamme in silver, and that by the Dutch ships to 50,000 ryo in gold a year. In 1688, the 1st year of Genroku, the Shogunate limited the number of Chinese ships entering the port of Nagasaki to 70 a year, which, however, was increased to 80 in 1698, the 11th year of Genroku. Two years later the number of Dutch ships entering the port of Nagasaki was limited also by order to four or five a year. The currency revision carried out by the Tokugawa Shogunate in the era of Genroku, whereby the currency was debased, as had been stated elsewhere, did a good deal to rob the Japanese of profit in the trade with the Dutch merchants.

THE CRISIS BETWEEN JAPAN AND HOLLAND.—In 1715, the 4th year of Seitoku or thereabouts, the Dutch profits from their Japanese trade amounted to 500,000 florins or so a year, which fell to about 200,000 florins a year by 1743, 3rd year of Kwanpo, an amount scarcely sufficient to cover the necessary expenses for maintaining the Dutch establishment at Dejima. By that time, therefore, the Dutch company made practically no net profit out of their trade in Japan, but they carried on as before. At that time Imhoff, the Dutch Governor-General of Batavia, presented to the Directorate of the East India Company a memorandum on the declining condition of the Dutch trade with Japan. In this memorandum he says that in 1696, the 9th year of Genroku, the Government of Japan minted a new gold Koban coin, which was worse in quality than the old one. The old Koban weighed 20·8½ carats and contained ten grains of pure gold—that is to say, the percentage of pure gold was 20½ out of 24. But, he continues, the new Koban weighs only 13 carats, and contains only six or seven grains of pure gold, which means that the new Koban is only about two-thirds of the old Koban, yet the Dutch traders in Japan are forced to accept the new Koban at 58 momme of silver, on a parity with the old Koban of a better quality. When the Dutch merchants sold the old Japanese Koban to the Coromandel Coast or the Straits Settlements, they used to make a 25 per cent. profit out of it, but in disposing of the new Koban they would lose from 15 per cent. to 16 per cent. But soon after the said revision of currency, Imhoff reports, the Japanese Government revised its currency again, whereby the weight of the new Koban was decreased by about one-half, or from 47 candrin to 25 candrin, and yet the Japanese Government is forcing the Dutch traders to accept the new Koban at the same price of 58 momme of silver as the first old Koban. The loss that the Dutch merchants incur by dealing in the latest Koban is now from 36 per cent. to 84 per cent., and thus the profit of the Dutch trade with the Japanese is decreasing year after year, he declares. All these currency policies of the Japanese Government were denounced by the Dutch because they affected their trade in Japan so much. On the other hand, the Dutch traders brought their merchandise without making careful investigation as to the demand for it in Japan, with the inevitable result that the demand decreased year by year (see appendix to the *History of Java*, which Russell discovered in the archives of Batavia). "The Dutch merchants had endured all the hard treatment they received from the Japanese Government, and even humiliations from the officials of the Japanese Government, simply because they were desirous of the profit that they derived from their trade in Japan, but now that under the changed policies of the Japanese Government, they cannot gain so much profit out of their trade as they desire or as they used to get, it might be better for the Dutch to fight with Japan than go on struggling under their difficult position in that country," concludes Imhoff. Benjamin Sangar and Charles Gould both visited Siam by the *William* in 1676, the 4th year of Enkyo, and in a letter to the East India Company of England they recommended English trade with the Siamese, adducing the following reason :—

> On account of the hard treatment which the Dutch traders in Japan are receiving from the Japanese Government, there are possibilities that a war will soon break out between Japan and Holland. That is the belief prevailing among the Dutch officials in Dutch Batavia. If hostilities break out between Japan and Holland, as they believe, the Dutch merchants will have to turn their attention to trading with Siam, in order to make good what they will lose by the stoppage of their trade with the Japanese.

From the above it can be inferred that the Dutch in the East Indies entertained the idea of going to war with Japan, if necessary, to make the Tokugawa Shogunate modify their policy of hampering foreign trade in their country.

THE PROFITS OF THE DUTCH DECREASED.—In spite of this bellicose attitude there were no hostilities between the Dutch and the Japanese after all. Why, we have no discoverable reasons for saying. But it may be that the Dutch merchants at Nagasaki, who knew the actual conditions in Japan, opposed any war with Japan, and advised Government officials in the East Indies accordingly. The profit that the Dutch traders were making out of their trade with the Japanese in those days seems to be very big according to modern commercial ideas, but in view of the dangers of navigation in those days it was not unreasonable, but permissible in the circumstances. At the time when the Portuguese came to Japan for the first time to trade with the Japanese, it is said that one ship out of three coming to the Orient was wrecked on the way. In later years, when the Dutch took the place of the Portuguese, navigation to the Orient had more or less developed, and accidents did not occur to the Dutch ships in the same proportion, yet on an average one out of five ships coming to the Orient was wrecked. So much danger accompanying the Dutch trade of those days with the Japanese may justify in one sense the Dutch traders in getting so large a profit out of their trade. Let us see how much the Dutch East India Company were spending for their business expenses at Nagasaki in 1686, the 7th year of Teikyo, and

1688, the 1st year of Genroku. It must be noted that the Dutch trade at Nagasaki in those days was transacted by the Dutch trading company, and the business expenses were as follows :—

Items of Expenditure.	Amount (in Florins).	
	1686.	1688.
Province	23,580	13,166
House rent	9,791	6,828
Emergency expenses	14,097	4,993
Ships' expenses	10,986	7,509
Donations or contributions	107,086	100,789
Interest, salaries, etc.	8,092	7,318
Warehouse rent at Dejima and Goto Islands	19,530	19,530
Total	193,162	160,213

As the foregoing table indicates, the Dutch East India Company were spending in those days from 160,000 florins to 190,000 florins a year for their trade expenses at Nagasaki. If the returns from their trade with the Japanese was about 200,000 florins a year, as it was in the later years, it was just enough to cover their annual business expenses at Nagasaki but no more, and it is only natural that the Dutch, with their declining profits, once thought of giving up their trade with the Japanese. But remembering the big profit they had made in the earlier days, they were not inclined to sacrifice it easily, and made various attempts to increase their profit, so that they could continue to carry on, even small sources of revenue not being despised. At the same time they curtailed their expenses as much as possible. For instance, they brought to Japan gold and silver metal to exchange for the Japanese bronze or copper coins, and the zeni coins that the Dutch thus took out of Japan amounted to 1,000 ryo in gold in 1765, the 2nd year of Meiwa. From 1790, the 2nd year of Kwansei, they reduced the visits of their captains to the Shogun in Edo to once in five years. They often appealed to the Shogunate to modify its policy towards foreign trade, so that Japan's trade with other countries might be increased. They also asked the Shogunate to increase the amount of copper that could be taken out of Japan in a year, which was limited by order of the Government. But they did not succeed in their attempts, and their condition became ever more difficult, so much so that in 1800, the 12th year of Kwansei, they were so hard pressed to meet their necessary business expenses in Japan that they had to borrow 100 kwamme of silver from the Tokugawa Shogunate in order to maintain their business. It may be said that the most prosperous time that the Dutch had in their trade with the Japanese was in the era of Genroku, and even then their trade was already on the decrease. Many reasons may be adduced, and the policies of the Tokugawa Shogunate, whereby foreign trade in Japan was limited or restricted in many ways, and the frequent revisions of currency by the Shogunate, by which the quality of the Japanese gold coinage was steadily debased, are among the principal ones. But the chief reason for the decline in Dutch trade in Japan was the development of home industries brought about as a result of the Japanese intercourse with foreign countries, by which Japan became a self-supporting country, and did not need to import foreign goods as she had done before. From the later years of the Genroku period and down, Nagasaki was the door through which a knowledge of Western medicine and other arts and foreign customs entered the country rather than trade goods, which concerns the history of general civilization more than the economic history of Japan.

KAEMPFER'S HISTORY OF JAPAN.—Among the early Westerners who studied Japan and shared their knowledge with the world is Engelbert Kaempfer, a scientist from North Germany. Kaempfer was employed at the Dutch East India Company factory at Nagasaki as a doctor, and while in Japan he studied from the standpoint of a national scientist the minerals, flora, and fauna of the country, and also made inquiries into the practical use of these things in agricultural, industrial, and commercial activities. He came to Japan in 1690, the 3rd year of Genroku, and spent many years over his studies. After his return to Germany he published a book called *The History of Japan*, which did a great deal to introduce Japan before the world in those early days.

ZYUNBERG'S RECORD OF JAPANESE PLANTS.—Besides Kaempfer, there is another Western scientist who introduced Japan to the West in those early days, namely Charles Peter Zyunberg, a Swedish naturalist, scientist, and traveller. He came to the Orient in the first instance at the expense of a wealthy merchant in his country. On his way he stopped at the Cape of Good Hope for three years, and then came to Batavia. In 1775, the 4th year of Anyei, he reached Nagasaki, where he held the same position formerly occupied by Kaempfer in the Dutch East India Company, and, like his predecessor, he studied the culture, customs, and manners of the Japanese, and also collected different kinds of strange plants in the districts surrounding Nagasaki. He visited Edo, where he met and exchanged views with Katsuragawa Hoshu and other Japanese scholars, who were studying Western learning in those days (see chapter on "Nagasaki in the Tokugawa Period"). In 1777 he returned to Sweden via Ceylon and India, and in 1784, the 4th year of Tenmei, was appointed Professor of Botany in the University of Upsala, when he published a record of Japanese plants. According to Zyunberg's writings, of the men employed in the Dutch ships visiting Japan, the captains alone were permitted the freedom of coming ashore, and the other men were not permitted to land, but had to stay in Dejima Island. Availing themselves of this privilege, the captains visited Nagasaki freely. They were in the habit of wearing loose, silk garments, decorated with silver lace, and under them they concealed a quantity of goods with which they landed at Nagasaki. Strange to say, many had to be assisted by their sailors, as they could scarcely walk for the weight of goods smuggled under their garments. The captain of the ship on which Zyunberg travelled attempted to land at Nagasaki with his smuggled goods in the same manner when suddenly the Japanese officer in charge stopped him and ordered him to go ashore in an ordinary uniform as an ordinary sailor, because the tricks of the Dutch captains had been accidentally discovered. Some years before, a stray Dutch ship unexpectedly entered the port of Nagasaki, and her books were suddenly examined by the Japanese officials when the cunning doings of the Dutch captains were discovered, and the Japanese Government withdrew the privilege that had been granted them. According to Zyunberg, when the captain of his ship landed at Nagasaki in a uniform instead of a loose garment, as the Dutch captains had been used to do, it was amusing to see the surprise of the Japanese, who were under the impression that the Dutch captains were all very fat, when for the first time they cast their eyes on a thin captain, for the captain of Zyunberg's ship was a lean man. When Kaempfer was at Nagasaki, there were seven Dutchmen altogether resident in Nagasaki, which number increased to twelve or thirteen in the time of Zyunberg. Each of these Dutch residents kept a slave, whom he brought from Batavia. When he arrived in Japan Zyunberg brought with him about 50 kin of a medical article called unicorn, and sold it for 5,071 taels in silver. The unicorn is the horn of the monoceros, a sea animal living in the seas of Greenland. The Japanese in those days firmly believed that the medicine would give its user vigour, long life, a good memory, etc., and deemed it a very precious drug.

Izaac Titing and the Shipbuilding Industry in Japan.—After Zyunberg there came to Japan Izaac Titing. He was born in 1740, and, while he was still young, entered the employ of the Dutch India Company. He was with the office of the Company in Batavia for seven years, and in 1779, the 8th year of Anyei, came to Japan, where he was the manager of the Company's office in Dejima. After one year's stay, he returned home, but in 1781 came to Japan again. He returned home soon, but came back once more in 1784. Like Kaempfer and Zyunberg, he also introduced Japan before the Western countries by his writings. He translated into Dutch the *Odai Ichiran*, or *History of Imperial Dynasties in Japan*. When his translation was to be published, he desired to dedicate the book to Lord Kikuchi Samon, of Tamba, with whom he had been intimately acquainted, but the dedication was declined. He closely criticized the history of Japan, and observing that for the period earlier than the Emperor Nintoku the chronicles give nothing but the unusually long life of each Emperor, he doubted the history of the early 1,061 years from the beginning of Japan. Speaking of Tanuma Okitsugu, a well-known statesman at the time of Ieyasu, the tenth Tokugawa Shogun (1760–86), Titing says that he was an able political reformer, but was hated and assassinated by his political opponents, who were men of small ability. The Governor of Nagasaki at that time was a man of progressive ideas, like Tanuma and his associates in the Shogunate, and was acquainted with Titing. In 1783, through Titing, he attempted to bring over shipwrights from Batavia for the purpose of building ships at Nagasaki, the ships so built to be employed in the transportation of copper from Osaka to Nagasaki: but his plan was not carried out, on account of circumstances which obstructed it. Regretting the failure of the Governor of Nagasaki's plan, Titing promised him that he would build a ship in Batavia and send it to Japan, so that the Japanese ship-carpenters might build ships on the same model: but this promise was not carried out either, because while he was in Batavia, Tanuma Okitsugu, in whose administration Titing had great hopes, was assassinated, and there was subsequently a political change, which killed Titing's hopes of political reforms in Japan. Had Titing's plan been realized, the shipbuilding industry in Japan would have greatly advanced even before the eras of Keiwo and Meiji.

MERCHANDISE IMPORTED BY THE DUTCH SHIPS INTO JAPAN.—Below are given the places of origin of the goods imported into Japan by the Dutch ships, and those of goods brought by the Chinese merchantmen in those days, from which it can be seen that the business of both Dutch and Chinese merchants in Japan was transportation and trading only:—

MERCHANDISE IMPORTED INTO JAPAN BY THE DUTCH EAST INDIA COMPANY AND THE PLACES OF ITS ORIGIN.

Raw silk. China, Tonkin, Bengal, and Persia.

Silk fabrics of different descriptions; woollen fabrics and other textile fabrics (except those embroidered with gold and silver). China, Tonkin, Bengal, and Persia.

Tafaceel. Bengal and the coasts of Coromandel.

White Belangs, big rolls. Unknown.

White Gilangs. Unknown.

Armosins. Unknown.

Smongis. Unknown.

Florette yarn. Unknown.

Half-silk fabrics of different descriptions and Indian Tsitsens. Unknown.

Cotton fabrics of coarse manufacture without flowery or any other designs. Unknown.

White ginis. Unknown.

White salempuris. Unknown.

White paraceels. Unknown.

Serges; English woollens; fabrics of different descriptions, including serges, silk fabrics, woollen cloth. Europe.

Tsiampan, buffalo-skins, ox-skins, deer-skins, ray-skins, wax, and horns of buffaloes. Siam and Cambodia.

Cordovans and different kinds of soft skins. Persia, Bengal, and other countries (except Spain and Manila).

Pepper, sugar, and sugar-candy. Different parts of East Indies.

Cloves. Spice Islands.

Nutmegs. Anboina and Bunda.

Sandal wood. Timor.

Camphire de Baros. Borneo and Sumatra.

Quicksilver, cinnabar, saffron. Bengal.

Lead, nitre, boracic acid, and alum. Bengal and Siam.

Musk. Tonkin.

Gum benxoine. Atsijen.

Gum lacca. Siam.

Rosmal, catechu, and terra japonica. Arabia and Mochan.

The root of futsjuk or costus amora. Arato and Siam.

Coral. Unknown.

Amber. Unknown.

Pure ammonia (for use in the manufacture of Japanese earthenware). Unknown.

Large looking-glasses (large glasses were cut into small pieces, with which they made telescopes, microscopes, eyeglasses, etc.). Europe.

Maran de Baca. Unknown.

Medical stone taken out of a cow's liver (gall-stones). Mozambique.

Snake wood. Unknown.

Atsiaer. Banbous.

Mongos. Unknown.

Turkish pepper, rocambole, and the unripe East Indies fruits, seasoned in vinegar. Unknown.

Red and black pencils for office use. Unknown.

Sublimate of mercury. Unknown.
Files. Unknown.
Eyeglasses. Unknown.
Glass utensils. Unknown.
Artificial coral. Unknown.
Strange birds. Unknown.

Besides, natural products and manufactures, produced in different countries and strange to the Japanese, were also brought by the Dutch merchants to Japan.

Imports by the Chinese Ships.—The Chinese ships came three times a year, namely, in spring, summer, and autumn. In spring twenty ships with full cargo came, and in summer thirty ships, and in autumn twenty ships. Such was the official limitation put by the Tokugawa Shogunate. It was also enacted that any ships which might arrive in addition to the above limited number or after the trading by the Chinese ships for the season had been completed should not be permitted to land their cargo, but should return home with their cargo untouched. The merchandise brought by the Chinese ships was :—

Raw silk and silk and woollen textile fabrics of the same kinds as those brought by the Dutch ships. China and Tonkin.
Sugar. Different parts of East Indies.
Calamine stones, for use in copper articles, and natural carbonate of zinc; turpentine from wild pistachio trees. Tonkin.
India-rubber. Champa.
Myrrh. Champa and Cambodia.
Calambak wood. Cambodia and neighbouring countries.
Camphire de Baros. Borneo.
Ginseng. Korea.
Medicine, medical stuffs, Chinese books on philosophy and theology. China.

The Prices of the Imported Articles.—The market prices of the foreign articles, as they prevailed in the city of Kyoto in 1692, the 5th year of Genbun (according to Kaempfer's *History of Japan*), are as follows :—

Description.	Amount.	Price in Silver.
		Momme.
Chinese silk (Cabessa) or the superior quality of silk	Per picul (Dutch, 120 lb.; one bale, 100 kin)	6,650
Chinese silk (Bariga)	Per picul	6,380
Bengal silk (Cabessa)	Per picul	5,300
Bengal silk (Bariga)	Per picul	4,060

Description.	Amount.	Price in Silver.
		Momme.
Tonquinese silk	Per picul	4,400
Florette yarn	Per picul	2,400
Cinnabar	Per picul	6,000
Cloves	Per picul	2,300
Pepper	Per picul	230
Sugar-candy	Per picul	210
Powder sugar	Per picul	140
Camphire de Baros	Per quarter pound	330
Putsuik or contus Arabica	Per kin	100
Wide Chinese belangs	Per roll	140
Armosins	Per roll	74
Tafaceels from Coromandel (superior quality)	Per roll	68
Tafaceels from Coromandel (inferior quality)	Per roll	60
Tafaceels from Bengal	Per roll	43
Common white simple glangs	Per roll	48·4
White gunis linen	Per roll	70
Salenpuris, common bleached	Per roll	31
Sumongis from Tonquin	Per roll	3.3
Paraceels, common bleached	Per roll	15.3

CHAPTER LXXV

FREQUENT DEBASEMENT OF CURRENCY AFTER THE ERAS OF BUNKWA AND BUNSEI

THE MAN RESPONSIBLE FOR DEBASEMENT OF CURRENCY.—The successor of Shirakawa Rakuo was Matsudaira Nobuaki, who, though nominally only one of the Cabinet ministers, was really Prime Minister and copied his predecessor in everything. Nobuaki did not hold office long and was succeeded by Mizuno Tadanari, who had been one of the high officials of the Shogunate at the time of Tanuma, and whose administration was accompanied by much corruption. Since the time of Goto Shozaburo, who was appointed mint-master in the early years of the Tokugawa period, his family had held the same position generation after generation. In the era of Anyei (1772–80), Tanuma had granted the Goto of the day the privilege of wearing two swords like a samurai, an honour seldom extended to a commoner then, and the family head was given the same responsible position as his forefather. However, in 1810, Isaburo, the 8th head of the family, was found guilty of misappropriating public money, the house was extinguished by order of the Shogunate, and the position given to Goto Sanyemon, then a senior official of the silver mint, who had the happy knack of winning the favour of his superiors. In Matsudaira Nobuaki's time, Sanyemon often recommended to him a revision of currency, and his advice was rejected, but when he saw that Tadanari accepted suggestions and recommendations from merchants and others, who had axes of their own to grind, the wily mint-master perceived an opening for himself, and suggested a revision of currency in the form of a debasement, as a means of relieving the Shogunate of its chronic financial difficulties. His recommendation was accepted and the plan carried into effect accordingly ; the quality of the coinage was greatly debased and the currency system thrown into chaos. In the Tokugawa period, whenever the currency was revised, any profit that resulted was credited to the treasury as an item of extraordinary revenue, and in all cases of revision the main object of the Shogunate was financial profit to itself, with the natural result that there were considerable " pickings " for officials and those engaged in the bullion business. This maladministration of currency by the Tokugawa Shogunate had been continuously practised from the Genroku era, and matters went from bad to worse after the revision of Meiwa and Anyei, because, as one result of it, the volume of currency circulating, especially small coins, was considerably increased, which gave more chances to the officials concerned, as well as the Shogunate, to line their own pockets out of the revision. It is hardly necessary to say that such maladministration on the part of the Shogunate and the evil practices of the officials had many bad results.

THE BEGINNING OF THE NIBU GOLD.—In 1818 the Shogunate issued for the first time a small gold coin, the Nibu-ban, or half-ryo coin, called Shinji Nibu and containing about 13 per cent. less of pure gold than the Bunji gold with which it compared as follows :—

	Total Quantity per 100 Ryo.	Quantity of Gold Content per 100 Ryo.
Bunji gold	347.44 momme	226.95 momme
Nibu gold	348.25 momme	196.45 momme

Between 1818 and 1829, 2,986,000 Shinji Nibu gold were issued, which, after all expenses were paid, must have netted the Shogunate at least 200,000 ryo gold. It is said that out of 1,000 ryo of Koban coins not more than 500 or 600 were perfect pieces.

UNPOPULARITY OF THE NIBU GOLD.—According to the decree of the Shogunate the object in issuing the Nibu-ban gold coin seemed to be to exchange the broken or damaged Bunji-kin for the new coin of lesser weight without any charge, the circulation of Bunji-kin being greatly impeded by the large number of damaged pieces, the result of years of use. The Shogunate wished to remove this inconvenience and had often announced that the broken or damaged coin would be exchanged for a perfect one free of charge, provided that the damage was less than 5 bu in weight, and the shortage in legitimate weight not more than 4 rin. Though the Tokugawa Shogunate appears to have followed the policy of a modern Government in recognizing a common allowance between one piece of a certain coin and another of the same, and the light weight of a coin or weight of a damaged coin is limited, actually their real object was to collect the broken or damaged coins, which, in fact, it was very difficult to do at that time. In modern times the loss arising from such damaged coins is commonly borne by the Government, but the statesmen of the Shogunate had no such notion ; on the contrary, they attempted to profit the Treasury by a revision of currency. In

December of the year of issue announcement was made that in exchanging for the broken or damaged old coins, the new Nibu gold coin alone would be used. This coin being entirely new and strange to the people did not circulate well at all, and became still more unpopular when the public found out that it was of inferior quality.

ATTEMPTS TO PROMOTE THE CIRCULATION OF THE NIBU GOLD.—Since the time of Anyei the price of silver had gone down continuously and the price of gold had gone up, and there is no denying that one of the reasons for the issue of the Nibu gold coin of a lesser weight at a high legal price was to take advantage of this tendency. But the expectation of the Shogunate's officials was disappointed, for, as soon as the news of the issue of the Nibu coin reached Osaka, the price of gold there went down from 65 momme of silver or thereabout to 59 momme. Thereupon the Shogunate through the ten principal exchange-houses in Osaka attempted to purchase 90,000 ryo of gold there, but could not get more than 30,000 ryo, because the price of Bunkin gold had gone up as a result of the issue of the Nibu gold. As another means of promoting the circulation of the new coin, the Shogunate advanced to the seven principal exchange-houses in Edo 10,000 ryo of this money and took other steps in the same direction.

THE BUNSEI GOLD.—Soon after it had issued the Nibu gold the Shogunate revised the Koban gold, and as the new Koban was issued in the 2nd year of Bunsei (1819), it is called the Bunsei gold. The reason for the issue of the new Koban, as given out by the Shogunate, was that many pieces of the Genbun gold had been so much damaged that they could hardly be accepted at their face value in the market, and the people had been suffering considerably from it. A decree issued in this connection in June 1819, the 2nd year of Bunsei, reads :—

> In view of the fact that there are so many pieces of the Koban gold damaged in some way or other, and that the people are suffering therefrom, last year the Shogunate issued the new Nibu gold coin, and since then has been exchanging the damaged coins for the new ones. So far, however, the Shogunate has not been successful in collecting all the damaged coins for recoinage, and there are still many damaged Koban about, which impedes the circulation of this coin in the market. The fact is that many years have passed since the present Koban were first made, and the coins have got damaged in their lengthy circulation, and if things go on as they are going now, the number of damaged pieces will further increase, and the people be inconvenienced in proportion. To do away with further inconvenience or suffering in the market, the Shogunate has decided to recoin the Koban now in circulation, and the new Koban will be of the same weight but thicker.

The Bunsei gold coin issued in the circumstances stated above was of the same weight as the Genbun gold, but far inferior in quality to it. The three gold coins compare as follows :—

Description.	Quantity per Piece.	Quality of Coin.	Per 10 Ryo.	Gold contained in 10 Ryo of each Coin.
	Momme	Fine	Momme	Momme
Genbun gold ..	3.47	653.2/1000	34.74	22.69
Shinji Nibu gold ..	1.74	564.1/1000	34.82	19.74
Bunsei gold ..	3.49	559.4/1000	34.9	19.52

In September, the same year, the Shogunate commenced the exchange of the old coins with the new ones, the exchange of the Koban and the Ichibu-ban being made in the proportion of 7 to 3 respectively. But as no particular regulation was issued that the damaged or worn-out coins might be exchanged with the new coins free of charge, it may be inferred that the legal allowance of weight was made the standard limit in this connection. The plan at that time was to revise the silver coins as well, but the officials of the Shogunate were too much occupied with the revision of the gold coins, in the hope of extra revenue, to carry out their plan for a revision of the silver coins. The gold coins alone were revised, and consequently the price of gold quickly went down. It was 62 momme or 63 momme of silver per ryo in January, fell to 60 momme in July and August, and then to 55 momme in September and October. In November, as the Shogunate purchased 10,000 or 20,000 ryo of gold in Osaka, the price went up temporarily by 1 or 2 momme per ryo in consequence, but as soon as the purchase had been completed, it again dropped to 55 momme or so and remained unchanged. On the other hand, the price of silver went up considerably, and as a result many silver notes were issued in different feudal clans, so much at random that their value was doubted by the people at last and the demand for silver specie increased in consequence.

THE ISSUE OF THE SOBUN SILVER COIN.—The fact that the price of silver so quickly went up, and the price of rice dropped, now prompted the Shogunate to undertake a revision of the silver coins, and in July 1920 the Sobun silver was issued to take the place of the silver circulating at the time.

The new coin contained only 36 per cent. of silver and in content of silver compared with the Genbun silver in the proportion of 78 to 100. Sixty momme of Sobun silver contained 21.6 momme of silver, or about the quantity in eight pieces of the Nanryo Nishu silver coin, which was circulating at the time. The Nanryo silver had been made in accordance with a law whereby silver coins were to be exchanged with gold coins at a fixed standard rate—that is to say, the Nanryo silver coin was exchanged with gold money at the face value. In preparing the Sobun silver coin the Shogunate adopted the same principle, it appears, and the new silver coin was made to contain the same quantity of silver as the Nanryo silver, so that the standard price of silver of 60 momme per 1 ryo of gold could be maintained. Though the price of silver against gold, and vice versa, in those days cannot be exactly known, yet from the fact that the gold in each piece of the Bunsei gold was about 86 per cent. of that in the Genbun gold, but the silver in each piece of the Bunsei silver was about 78 per cent. of that in the Genbun silver, it may be said that the inferiority of the new silver coin against the old one was far greater than that of the revised gold coin against the old one. In those days the price of silver bullion was going down gradually, due to the importation of silver from foreign countries and some other circumstances, yet, directly contrary to this tendency, the officials of the Tokugawa Shogunate made an inferior quality of silver coin, out of silver bullion purchased at a lower price. One cannot doubt why these statesmen undertook their currency revision. When they revised the gold coins, making an inferior quality of gold coin against the better one, the market price of silver went up at once, yet the rise was only in proportion to the extent to which the quality of the gold coin had been lowered. Now that they made the new silver coin upon the basis of the quality of the Nanryo silver, which was, it may be said, a nominal coin, and attempted to fix thereby the proportionate price between silver and gold, an inevitable consequence was a steady rise in the price of gold. Thus it rose to 59.75 momme of silver in 1821, to 62 momme towards the end of the same year, to 63 momme in 1822, and to 65.14 momme in January 1824.

THE NANRYO NISHU SILVER REVISED.—In view of the fact that, as a result of the above revision of silver coin, the price of silver dropped and the price of gold rose, the Shogunate revised the Nanryo Nishu silver in 1824, and in this revision profited itself by lessening the weight of the new coin and increasing the volume of currency. The apparent object of the Shogunate in undertaking the said revision, as stated in an official decree issued in February the same year, was to decrease the weight of an inconveniently heavy coin.

Each piece of the old Nanryo silver weighed 2.75 momme, but the new one 2.05 momme; the weight of the former per 1 ryo of gold was 22 momme, but that of the latter 16.4 momme, or a decrease of about 22 per cent. in weight.

The Shogunate's decree announcing the revision of the Nishu silver coin was reflected in the price of gold in Osaka at once, and from above 65 momme per 1 ryo on the 9th and 10th of February it fell to 62 momme on the 11th, and then to 59 momme. Thereupon the Shogunate, through the exchange merchants in Osaka, began purchasing gold, which forced up the price again to 62 momme. At the same time the Shogunate purchased 20,000 ryo of gold in Edo as well, and paid for the purchased gold in the old Nishu gold, the idea being to cause a fall in the price of silver and a rise in the price of the old Nishu gold.

THE GOOD COINS DRIVEN OUT BY THE BAD COINS.—In March the same year the Shogunate announced that the exchange of the old coins with the new ones would be closed by the end of 1825, and at the same time appointed the exchange offices for the purpose, the idea being to hasten the process of the exchange of the old gold and silver coins with the new Bunsei gold or silver, for there was much of the Genbun gold and silver still in the market. According to an investigation made towards the end of 1823, the Genbun gold coin still circulating at that time amounted to over 6,000,000 ryo, or about one-third of the total amount of the Genbun gold coin originally made. Of the Genbun silver there was still 100,000 kwamme, or about one-fifth of the original quantity made. Why were so many of the old gold and silver coins left unexchanged ? In the first place the Shogunate gave no premium when replacing the old good coins with the inferior new ones, as it did at the time of the currency revision of Genbun era. Then the new coins were differently stamped from the old ones and could be easily distinguished, yet both were allowed to circulate side by side. People naturally preferred to hoard the old rather than present them at the Shogunate offices for exchange with the inferior new coins. Thus good coins was driven by bad ones from the market. Maybe, also, the new coins were too new yet to become popular in the country districts, where the people pay more respect to old things than to new ones.

THE ISSHU GOLD OF A BAD QUALITY ISSUED.—The sins of the Shogunate officials in their currency policy were not limited to those already noted. In 1824 the Isshu gold coin of an unusually inferior quality was issued. In its announcement in this connection the Shogunate gave no specific reason for the issue, but there can be no doubt that its object was, as usual, extra revenue. The decree reads :—

> The Shogunate has newly issued an Isshu-kin gold coin for circulation in the market. Sixteen pieces of the new gold coin are to make 1 ryo. It should be exchanged with the silver or copper coins at the same rate as the Koban, Isshu, and Nishu-ban. The new coin should circulate together with the other kinds of coins without difficulty.

The new coin was to circulate in the same way as the Koban and smaller gold coins in the market, but its quality was so bad that its weight was only 3 bu 7 rin and its gold content no more than 123/1000. In sixteen pieces of the new coin, which were estimated to be worth 1 ryo, the amount of gold was only 7 bu 3 rin. This is no more than about 37 per cent. of the gold in 1 ryo of the Shinji Nibu-ban gold and the Sobun gold, which were the best circulated coins in those days. The new coin was, indeed, a silver coin gilded rather than a gold coin.

In order to exchange the old coins for the new Isshu gold in Osaka, the Shogunate forwarded a large quantity of the new coin, but nobody cared to turn in his old coins in order to get the new issue. There was practically no business at all done in the exchange offices, and in July the next year Edo ceased to send the new money to Osaka for the purpose.

The Shogunate then not only issued several kinds of inferior coins, one after another, but made special efforts to get hold of the old coins in exchange for the new. In 1824 those who collected the old coins for the purpose of exchanging them for the new ones were promised reimbursement of their expenses, the object of the Shogunate being not merely to make the circulation of the new coins better, but to collect as many of the old coins as possible, and make profit for itself by minting the new inferior coins out of the old good ones.

THE ISSUE OF THE SOBUN NIBU-BAN GOLD.—At first the Shogunate announced that the circulation of the Genbun coins, both gold and silver, would not be permitted after February 1825, but failing to collect the old coins by that time, as expected, extended the time limit till the end of July the same year. The extra five months made no better showing, and the time limit was extended till February 1826, and again till January 1827. At the same time the Shogunate announced prohibition of the circulation of the old Nishu silver (Old Nanryo silver) in the near future. It was also regulated that after February 1827 the Genbun gold and silver, if presented, would be exchanged for the new coins, but that their circulation would be strictly forbidden after February 1827. Towards the end of 1828, the Shogunate announced that the circulation of the old Nishu silver would not be permitted after March 1829, also that anyone who brought over 200 ryo of the old silver coins to the Government offices concerned over a distance of 5 ri would be paid for transportation expenses 1 momme in silver per 200 ryo, according to distance and the amount of silver sent in. Notwithstanding such special efforts the old coins still did not come in so quickly as expected, and in November 1828 the Shogunate issued a new coin, which is called the Sobun Nibu-ban gold.

Edo had not announced that it would revise the old Nibu-ban gold, or issue any new kind of Nibu-ban gold, but just that it would increase the volume of the Nibu-ban gold in circulation, though the Chinese characters on the Nibu-ban to be newly made would be different in style from those on the old Nibu-ban, so that one might be told from the other. In fact, the new coin differed in quality from the old one, and yet in July 1829 the Government had the face to announce that their object in revising the Nibu-ban gold was to change the characters on the coin from the Shinji style to the Sosho style.

A Comparison between the Shinji Gold and the Sobun Gold. In explaining its object in the issue of the new Nibu-ban gold, the Tokugawa Shogunate at first declared that it meant just to increase the volume of the Nibu-ban in circulation, and then that it intended to have only one make and style, instead of two, so as to avoid confusion or inconvenience in the future. But, as a matter of fact, the new gold known as the Sobun Nibu-ban was inferior in quality to the old one or Shinji Nibu-ban, and its gold content was only about 56 per cent., which is simply the same old story of profiteering over again. The weights of these gold coins compare as follows :—

Description.	Total Weight per 10 Ryo.	Gold Content per 100 Ryo.	Quality.
	Momme	Momme	Fine
Shinji Nibu-ban gold	34.8250176	19.7465	564.1/1000
Sobun gold	34.901028	19.52363	559.4/1000
Sobun Nibu-ban gold	34.955156	16.99537	487.8/1000

The Nanryo Isshu Silver.—There seems no end to the cunning doings of the Shogunate in its currency revisions. The revision of the Nibu-ban gold, as told above, had been hardly completed when it started the issue of the Nanryo Isshu silver with the same object as in its other currency revisions. The new silver coin was put into circulation from the 10th of July, 1829.

Each piece of the new silver weighed 7 bu, and 1 ryo worth was so much lighter than the old and new Nishu silver that out of every 100 ryo of the old Nishu silver coin, 196 ryo of the new issue could be made, and out of every 100 ryo of the new Nishu silver coin, 142 ryo of the new Isshu silver. In issuing this new silver coin the Shogunate had a twofold object—one, of course, was to replenish the treasury, but the other was to make the new Isshu silver take the place of the Isshu gold coin, which was too small to carry about and unpopular for that reason, and in July 1822 its circulation was stopped.

This is a long story of the issue of one kind of bad currency after another, but by this time the people had become so accustomed to the use of bad coins that they were no longer surprised by the appearance of a new coin of an inferior quality.

The Issue of the Nishu Gold Coin.—In October 1832 the Shogunate minted a new Nishu gold coin, and issued a decree in this connection without giving any special reason for the issue.

Probably it was issued in the hope that it might fulfil the functions of small money together with the Isshu gold and the different Nanryo coins and other small coins. But the new gold coin like other new coins both gold and silver, was of an inferior quality, as the table given below indicates. The prime reason for the issue was doubtlessly the desire of the Shogunate officials to profit themselves, but there were other reasons prompting them. In those days the settlement of commercial accounts, even of a small amount, was made in most cases in gold, instead of in silver as before, and small gold coins were needed in the market on that account. The second reason was that owing to the low price of copper coins, the people found it more convenient to make small payments in gold instead of in copper or other coins. A comparison of the different makes of gold coin shows :—

Description.	Total Weight per 10 Ryo.	Amount of Gold per 10 Ryo.	Quality.
	Momme	Momme	Fine
Sobun-kin	34.901028	19.52363	559.4/1000
Isshu-ban	59.202	7.2877662	123.1/1000
Sobun-Nishu	34.855156	16.99537	487.8/1000
Nishu-hankin	34.7621317	10.3745342	298.4/1000

When it is first out, the new gold coin shines bright, and its appearance is that of a real gold coin. But when it has been circulating for some time, the coin gets worn out, its Chinese characters becoming so faint that they are hardly recogizable. Its golden colour all gone, the coin looks like a silver one, and some say, therefore, that the new coin is a silver one gilded.

The Different Makes of Coins circulating in the Era of Bunsei.—With the issue of the Nishu gold, Lord Mizuno's currency revision plan, on which he had spent sixteen years, was complete. During the period he not only revised the coins then existing, but also issued several new makes of coins, revisions and new issues being eight altogether. He revised the Koban gold and the Cho-gin silver, as well as the Nanryo gold and silver, and issued for the first time

Nibu-ban gold, which he again quickly revised, then issued for the first time the Nanryo Isshu silver, the Isshu-kin gold, and the Nishu-kin gold. Every effort was made to get hold of the old gold and silver coins for exchange with the new, but no small amount of these old coins was still left in the coffers of the people. In such circumstances there were so many kinds and makes of coins circulating in the market that Japan's currency system was, indeed, in a chaotic condition. The different coins in circulation in the time of Bunsei were :—

GOLD COINS.

The Oban gold (as revised in the era of Kyoho).
The Koban and Bu-ban (as issued between 1819 and 1837).
The Isshu-kin (issued between 1818 and 1833).
The Nishu-kin (issued between 1832 and 1858).
The Sobun Nibu-ban (issued between 1828 and 1842).

SEMI-GOLD COINS.

The Bunsei Nanryo Nishu-ban (issued between 1824 and 1842).
The Nanryo Isshu-ban (issued between 1829 and 1840).

SILVER COINS.

The Cho-gin and the Mameita (issued between 1820 and 1837).

Coins, whose circulation was stopped, but which were still left in the market, and whose possessors could get no premium when exchanging them for the new coins, were : The old Gold and Silver (such as Bunji gold and silver), the old Nishu-ban (Nanryo), and the Shinji Nibu-ban.

Criticism of the Shogunate Currency Policy.—Not only did the number of the makes of coins increase, but the volume of coins circulating also. Such monopolistic systems of commerce as the tonya and the kumiai were also revived during Lord Mizuno's administration, and then new taxes were imposed on them, all of which combined to raise the prices of commodities. The majority of merchants, of course, made their fortunes or greatly increased their revenues, and, as a matter of fact, the city of Edo was so prosperous that the time is known as the Golden Age of Bunkwa and Bunsei in the history of the city, and it was said that the people had never experienced such prosperity before. But when the distribution of wealth changes suddenly, some must suffer, and the eras of Bunkwa and Bunsei are no exception to the rule. As is only natural, the sufferers complained of the changes, and attacked those who were supposed to be responsible, and Sugimoto Mojuro, the recognized leader of the tonya merchants, and the officials of the Government were made the target of severe criticism and attack. The idea that an increase in the volume of currency in circulation, effected by means of debasing the coinage, could never increase the national wealth had spread among the people since the time of Temmei, and many books had been written on this point of economics.

Goto Sanyemon, who had recommended to Lord Mizuno the revision of currency, also came in for severe attacks. He was smart enough, but with no definite principles, veering with every wind and always anxious to comply with the wishes of his superiors, to whom he always recommended what he thought likely to please them. In later years he was punished for some other causes, but he must bear responsibility for the sudden and frequent changes in currency in those days.

THE ISSUE OF THE FIVE-RYO-BAN GOLD.—In 1834 Mizuno Tadakuni was appointed one of the Ministers of State, and was the *de facto* Prime Minister. When he assumed his office he found the administration of the country in a slackened condition, and the people indolent and dissolute. He was ambitious to reform all this, and restore the conditions prevailing in the time of Matsudaira Sadanobu in the era of Kwansei, when ideas of thrift and industry prevailed among the people at large under that minister's guidance. In everything he copied Sadanobu, and his currency revision policy was no exception to the rule. As his first step, Mizuno issued the 5-ryo-ban gold in 1837, his idea being to unify the different makes and kinds of coins then circulating.

One piece of the new coin weighed over 8 momme 9 bu, of which the gold content was 7 momme 5 bu. One-fifth of the coin, or 1 ryo worth, weighed about 1 momme 8 bu, of which the gold content was 1 momme 5 bu. The quality of the new gold coin, therefore, was better than that of both the Ishu gold and the Nishu gold, but inferior to that of the Sobun-ban gold. The Shogunate felt that the standard of living was rising and there was need for some coin bigger than the Koban of 1 ryo. But, in fact, the new coin did not suit the then prevailing conditions of society, and the total quantity issued from the beginning was only 85,000 pieces altogether. It continued to circulate till July 1858, but did not have much effect upon the currency system of Japan.

THE HOJI GOLD.—In addition to the issue of the 5-ryo-ban gold, the Shogunate revised both the Koban and the Ichibu-ban gold, and as the revised coins were stamped "Hoji," they were commonly called the Hoji gold. The quality was a little better than that of the Bunsei gold, but as the total weight was decreased by about 5 bu or one-seventh per piece, the gold content per 1 ryo was less than that of the Bunsei gold coins and about the same as that of the Soji Nibu-ban gold. On the whole, therefore, the revised gold was rather inferior than superior in quality to the old coins of the same volume.

But the effort made for a unification of the currency must be appreciated, in that many different makes and kinds of coins were revised into few, and such coins as the Ishu and the Nibu were abolished. The 5-ryo gold, the Koban gold, and the Bu-ban gold were made the principal currencies, and the Nishu gold subsidiary currency. A comparison between the Bunsei gold coins and the Hoji gold follows :—

Description.	Total Weight per 10 Ryo.	Gold Content.	Quality.
			Fine
Bunsei gold	34.901028	19.52363	559.4
Sobu-Nibu-ban gold	34.855156	16.99537	487.8
Isshu gold	59.202	7.2877662	123.1
Nishu gold	34.767213	10.3745342	298.4
Five-ryo-ban gold	17.961306	15.0425934	837.5
Hoji-kin gold	29.9085192	16.97218464	567.4

The Shogunate's Profit from Currency Revision.—In 1838, the year following the issue of the 5-ryo-ban gold, the Shogunate issued a decree announcing that anyone who would bring to the Shogunate exchange offices the gold or silver coins of Bunsei era for exchange with the new coins would be given an allowance of 1 ryo per 100. It also announced that the circulation of the Isshu-kin gold would be discontinued by the end of October 1840, and that all the other gold and silver coins issued in the era of Bunsei would be called in by the end of 1842. Thus the currency revision of Tempo (1830–43) was completed. With regard to compensation to be paid for the old gold coins exchanged for the new ones, a decree of 1840 regulated that 190 ryo of the Hoji gold coin would be paid against 100 ryo of the Keicho or Kyoho, 130 ryo against 100 ryo of the Genji gold coin, and 100 ryo against 100 ryo of the Kenji gold. The principal object of the Shogunate in its currency revision policy of the era of Tempo was a unification of the coins circulating in those days which were of so many different makes and kinds, but there is no doubt that a second object was to profit itself out of the revision. In fact, during the eleven years from 1832 till 1842, the annual profits amounted to 7,558 ryo on an average.

The Issue of the Ichibu Silver.—The currency revision of

Tempo was not confined to the gold coins alone, for the Shogunate not only revised these silver coins then circulating, but also issued an Ichibu silver of an inferior quality when compared with the Nishu silver and the Isshu silver.

Description.	Total Weight per 100 Ryo.	Silver Content.
The Bunsei Nanryo Nishu silver ..	15.42 momme	15.07 momme
The Isshu silver	11.20 momme	10.92 momme
The Ichibu silver	9.23 momme	9.16 momme

The Cho-gin silver was even worse, for it did not contain more than 26 per cent. of silver, the remaining 74 per cent. being of copper. The quality was as bad as that of the Hoyei silver, and the silver content was only about 70 per cent. of that of the Sobun silver, which itself contained only 36 per cent. of silver. This again betrays the object of the Shogunate in its currency revision, which was simply to get extra revenue, and it must be remembered that the officials in charge of the work, as well as those connected with the gold or silver mints, lined their pockets at the same time.

THE ISSHU SILVER.—In 1853 Commodore Perry's squadron of American warships visited Japan and awakened the Japanese to the necessity of coast defence, and among other measures the Shogunate at great expense built forts in the Bay of Shinagawa. To meet the necessary charges the Government issued an Isshu silver of an inferior quality. In 1834, the next year, the circulation of the 5-ryo-ban gold was discontinued. In 1855 the premium given on the old coins, both gold and silver, when exchanged for the new coins, was raised, and special efforts were made to get hold of all the old coins, to replace them with the new ones. In the next year the Nibu-ban gold was issued, and in 1879 the Seiji gold. All these new issues of coins, both gold and silver, were of an inferior quality, the reason in every case being the same, treasury profiteering. It is difficult to blame the Government, for the finances of the Shogunate were in such a chaotic condition that there was no other way open to increase the revenue. In 1879 the rate of exchange premium was again raised, but brought no further returns. In the meantime Japan's foreign trade was developing and the official ban on the import or export of gold and silver was removed, which worked a great revolution in economic circles and shattered to pieces the currency system of the Tokugawa Shogunate. All these events are dealt with in the chapter

"The Finances of the Japanese Government after Commodore Perry's Visit."

THE LOW PRICE OF THE COPPER COINS.—As we have already seen, the price of the copper or bronze coins known as Zeni had been constantly falling since the times of Meiwa and Anyei, and at last fell to 7 or 8 momme of silver per 1,000 of the Zeni. The Shogunate, therefore, closed the Zeni mints in various districts, and the bronze-coin-making business was handed over to the silver mint and copper coin to the gold mint. At the same time the making of these small coins was limited, in the hope that their price might go up. In 1784 the Shogunate permitted the clan of Sendai to mint Zeni for circulation in the province alone. This Zeni was of a peculiar shape, with a peculiar mark, to differentiate it from other coins and prevent circulation outside the domains of the Sendai clan. Even within its own charmed circle, 4,000 or 5,000 Zeni went to 1 bu gold. This Sendai coin overflowed its borders, and wherever it went it affected the price of other Zeni coins, particularly in the Kanto districts. A decree was issued, therefore, in 1806, strictly forbidding the Sendai Zeni to be used in other districts. In the same year many private coiners were arrested and punished, and it appears that the number of such coiners was by no means small. In 1812 the exchange merchants were ordered to make careful discrimination against the unlawful Zeni coins.

MORE ZENI COINS MADE.—In the meantime, however, complaints were made by the public of the shortage of the Zeni coins, the minting of which had been limited for some years, as stated above, and to meet the situation, in September 1835, the Shogunate issued an order for the making of iron coins. At the same time it ordered the gold mint to make a copper coin called the To-Hyaku-sen, which weighed 5 momme 5 bu per piece, and contained 78 per cent. of copper. This new coin did not circulate well at first, but later became popular.

A COMPARISON BETWEEN THE SILVER AND THE ZENI COINS.—The appearance of these new Zeni coins brought about another fall in their price, and the next year the Shogunate attempted to raise the price by purchasing Zeni in the open market. The amount thus purchased was 11,700 kwan or more, and the average price 5,848 Zeni to 1 ryo of gold. Again the price fell, and in 1842 the Shogunate changed the official price to 6,500 per 1 ryo of gold, showing that the then market price of the Zeni must have been over 6,000 per 1 ryo of gold. Very soon a shortage of the Zeni coins was again felt, and their price went up to 6,200 or 6,300 per 1 ryo of gold. In 1849, therefore, the Shogunate discontinued the official price of the Zeni coins, which was left to be fixed in the market, without any interference from the Government. At the same time, both the To-Hyaku-sen and the iron coins were put into circulation as much as possible.

THE PRICE OF THE ZENI IN MEIJI AND KEWO.—The price of the Zeni coins further went down during the transition periods of Meiji and Kewo, and fell as low as 10,000 against 1 ryo of gold.

CHAPTER LXXVI

THE POLITICAL REFORM OF TEMPO

The Lord of Satsuma, a Smuggler.—Oshio Heihachiro's rebellion in Osaka greatly troubled the minds of the statesmen of the Tokugawa Shogunate, not because of the rebellion itself, but on account of the general attitude of the people towards the Government, which was incidentally manifested. Had the Tokugawa Shogunate had its old absolute control of the country, neither Oshio nor any other political adventurer would have had any chance of rebellion. The fact that Oshio, with a number of low-class samurai, rose in rebellion against the Shogunate, and attempted to seize the castle of Osaka garrisoned by the Government guards, demonstrated that the Tokugawa Shogunate had lost its credit and power in the eyes of the people. A yet more serious matter, which was a greater cause of trouble to the statesmen of the Shogunate, was that many feudal lords, seeing the prestige of the Shogunate thus shaken, snapped their fingers at the Government. In December 1802 among some merchandise that a Kyoto merchant bought from Satsuma were found European goods, and the officials could get no satisfactory reply from Satsuma when they inquired how these goods had found their way there. At first they were told that the man who had imported the goods was dead, but later, that he had disappeared. The Shogunate was very indignant, but dared not offend the powerful Lord of Satsuma, who had himself smuggled the goods in defiance of Shogunate laws.

The Relation between Satsuma and the Loochoo Islands.—For many years the Loochoo Islands had balanced on the fence between Japan and China, but from about the time of Keicho (1596–1614), there were indications that the country had come down on the side of China. In 1609, therefore, the Lord of Satsuma led his forces over there, conquered the islands, and established his own Government at Nawa, an important port and the present seat of local government in the islands. In this way the Loochoo Islands fell under Japan's rule completely; but notwithstanding, the islanders still feared the power of China, were attached to her, and respected her as their mother country, as they had done before, and whenever their king was crowned, the Emperor of China dispatched a messenger to the island to nominate the king formally. It is really rather curious that though he was in perfect control of the islands, the Lord of

Satsuma tacitly permitted the people of Loochoo to have intercourse with or serve China as their mother country. When the Ambassador from the Chinese Court arrived on the islands, the local government kept absolutely "mum" about relations with Japan, and issued instructions to the people that while conversing with the Chinese they should never say that the islands were under the control of the clan of Satsuma. No Japanese public notices were to be posted at Nawa or the neighbouring villages; the Japanese era names, Japanese books, goods, etc., should never be shown to the Chinese at all. At Nawa or any principal places where they might pass, Japanese coins should never be used while the Chinese Ambassador stayed on the islands; the Loochooans should never speak in Japanese while conversing with the Chinese, and if any of the Chinese began to speak to them in Japanese they should pretend that they did not understand the language. How did the Japanese on the island act while the Chinese were there? At the request of the islanders they retired for the time being into some place distant from the capital or port, so that they might not be noticed by the Chinese. Not only did they assume a strange attitude in the islands, but when the Court of Loochoo could not raise the necessary expense for the reception to be accorded to the envoy from the Tsing Court of China in 1836, the Lord of Satsuma lent 800 kwamme of old silver coins for the purpose.

THE ONLY TRADE PORT IN JAPAN.—The key to this apparent mystery was that through Loochoo, Satsuma had trade relations with China. Since the days of the Japanese pirates and the time of Toyotomi Hideyoshi's expedition into Korea, China had closed her coasts against the Japanese ships, and, for many years, no Japanese merchantmen visited the Chinese waters except as a pirate or a smuggler. Later, Japanese merchants began to visit Chinese ports from time to time, but in 1636 the Tokugawa Shogunate forbade the Japanese merchantmen to navigate any foreign waters, thus closing Japan against any trade or intercourse with foreign countries, and forcing the Japanese to wait for foreign trade-ships to come to Japan for trade with them. In spite of its foolish policy of isolation, the Tokugawa Shogunate excluded the Loochoo Islands, which could dispatch their merchantmen to any foreign waters without violating the law. China, too, permitted the Loochooan ships to visit her coast, in fact, rather encouraged it for her trade interests, and with that object in view was satisfied with the islands' nominal relation with her, though she knew of their close relation with Satsuma. For over two hundred years following the Tokugawa Shogunate's isolation decree in the area of Kwanyei, Loochoo was the only port whence the Japanese could freely dispatch their merchantmen to foreign countries for trade. The Lord of Satsuma wanted to utilize this the only trade port in the Japanese Empire for his own interests, and assumed such a peculiar attitude in the Loochoo Islands for this purpose.

THE OFFICIAL SHIPS FROM THE LOOCHOO TO CHINA.—In those days two kinds of Japanese ships plied between Japan and China for trade, one called Tribute Taking ships, the other Tribute Receiving ships; but, in fact, both were trade-ships operated by the Government, visiting China twice or three times a year, saying that they were taking tribute from Japan to China. On the part of the Chinese Court, they not only paid for the goods brought by the Japanese or the Loochooans, but also paid the expenses of the envoy and suite who brought the tribute from Japan, so that the visit of the Japanese envoy was not only troublesome but expensive. In 1474, therefore, the Ming Court of China limited the visit of the Japanese envoy to once in two years instead of once a year, and limited the suite to not more than one hundred persons altogether. After the Shin Dynasty replaced the Ming, the Japanese envoy and his ships were better received in China, and consequently trade increased between China and Loochoo. The capital invested in this trade with China was supplied partly by the clan of Satsuma, and it may be said that Satsuma was trading with China through the Loochoo, or at any rate that a greater part of the trade was controlled by Satsuma. In a memorandum given by the clan of Satsuma to the Government officials of the Loochoo in 1611, it is stated, regarding money to be supplied by the clan for trade with China, that this time silver and copper will be supplied, silver to the amount of 10 kwamme, and 10,000 kin of copper. Of course, this was not all the capital needed in the Loochoo trade with China in that year, but the memorandum is evidence that Satsuma had a finger in the pie. In 1682 two official Loochoo ships were dispatched to China, when they took 876 kwamme of silver, and in 1684, 887 kwamme of silver, which did not include the expense of the envoy and the party, which were 6,000 ryo of gold, or the goods exported from the Loochoo. No doubt a part of this outlay was supplied by Satsuma, and we are told that the clan provided 8,000 ryo in 1688 in the shape of loans from Kagoshima people to Loochoo merchants. In fine, the capital invested in the Loochoo's trade with China was principally supplied by the Government and the people of Satsuma, such supplies of capital amounting to 90,000 ryo a year.

SMUGGLING BY THE MERCHANTS IN SATSUMA.—We see, then, that the Satsuma merchants, as a matter of fact, controlled the Loochoo's trade with China, and in 1688, at the request of Satsuma, the Government of the Loochoo appointed Hara Zenbei, of Kyoto, agent for the sale of China goods imported to them. Not only that, but in 1691 the Daimyo of Satsuma sent one of his retainers, called Ijichi Shinyetsu, with the envoy of the Loochoo to China, and this man, dressed as a Loochooan, went to Fukien in South China for trade. After this visit the official ships of the Loochoo dispatched to China always took products of Satsuma to dispose of in China, and on the return voyage brought raw silk and textiles. The Shin Dynasty permitted the Loochoo merchants to establish a " factory " of their own in the port of Fukien, after which trade quickly increased. The trade was all done in the name of the King of Loochoo, and the goods shipped to Nagasaki were consigned to him, but the actual beneficiary was Shimadzu of Satsuma. Moreover, at ports on the eastern coasts of the provinces of Osumi, the clan established ship-controlling offices, and from these ports vessels were dispatched to the Loochoo twice a year, fifteen ships each time. The clan also made tin coins for use in China and the Loochoo. In its efforts to induce the Chinese ships trading at Nagasaki to come to Satsuma, Chinese information offices were established by the clan at many ports to give information on China and things Chinese. The clan Government of Satsuma itself published some text-books on the Chinese language, for use in a school which it operated for the training of Chinese interpreters. In later years a foreign bureau was established by the Clan Government which actually did trade with the Chinese and the Dutch, and the lord himself studied Chinese to acquire necessary information on China and things Chinese. The result of all this energy was that the Shimadzu made great profits from foreign trade.

LORD OF SAGA'S PROTEST AGAINST THE SHOGUNATE.—In March 1839 the palace in the castle of Edo was destroyed by fire, and the Shogunate imposed on over forty feudal lords an extra tax of 1,200 koku per 100,000-koku worth of territory—on those whose income was over 500 bales of rice, 2 ryo per 100, and on those whose income was less than 500 bales, 1 ryo 2 bu per 100 bales—to cover the cost of new construction. When he received notice of his share of this extra tax, Lord Nabeshima, of Saga, pleaded poverty and asked the Shogunate to reduce his quota by one-half, and permit him to pay in annual instalments spread over ten years. Had it been a hundred years earlier, Lord Nabeshima would surely have been declared a traitor, and his clan wiped out, but the Shogunate was too weak now to reject any request from such a great feudal lord, and his tax was set at 20,000 ryo of gold only. Coming one after another, Oshio Heihachiro's rebellion in Osaka, Satsuma's smuggling, and Nabeshima's contumacy, all imply that the prestige of the Tokugawa Shogunate was tottering, and that it had lost its power over the feudal lords. Its fall was only a question of time.

THE KANWOJI AFFAIR.—In 1826 Mizuno Tadakuni was at the head of the Shogunate administration, and in 1826 endeavoured to regain its lost prestige. Two things seemed to him immediately necessary—one to stamp out corruption among the officials, and the other to curtail the unnecessary expense of the Shogunate ; and to attain his end he looked outside the circles of officialdom for some influential helpers. Such a one he found in Lord Tokugawa Nariaki, of Mito, head of one of the three direct branches of the Tokugawa family, and he attempted his reform of the Shogunate with this man's support. Nariaki was brave and ambitious, fond of learning, and heedless of traditions and regulations, which led him to appoint to responsible positions in his local government such able scholars as Fujita Toko, Aoyama Enwo, and Aizawa Yasushi, under whom his territory was well governed. No doubt that he was the right man to co-operate with Lord Mizuno in the work of reform. At this time Iyenari had already retired from politics and Iyeyoshi had become the Shogun, but Iyenari continued to be the *de facto* ruler of the country, and the power of the Shogunate was still in the hands of the Court officials in his personal service, who, nurtured in extravagance and corruption, frowned on all attempts at reform. The most hardened among these were Hayashi Tadahide, Mizuno Tadaaki, and Minobe Chikuzen-no-kami, who were almost incredibly irresponsible.

AN INFAMOUS MONK CARRIED INTO THE SHOGUN'S COURT IN A CLOTHES CHEST.—The corruption of the Shogun's Court was then at its height, as is eloquently testified by the Kanwoji affair. The Kanwoji was a Nichiren temple whose priest had an illegitimate daughter whom he put out to nurse. The girl grew up to be beautiful, and attracted the attention of one of the retainers of the Shogun, who bought her from her foster-father and took her into his own house. In time he introduced the lady to the Shogun Iyenari, who made her one of his concubines and became completely enthralled to her. The Lady Omiyo, under which name she is famous, bore the Shogun several children, and her daughters married into such noble houses as those of the Lords of Echizen, Kawagoe, Kanazawa, and Saga. Sagacious as she was beautiful, she entirely controlled the Court, and high officials like Hayashi, Mizuno, and Minobe, obeyed her every word. To please her the temple to which she owed her origin was rebuilt, and appointed one of the Kigwanji temples where the ruler offered prayers in time of emergency. The ladies of the Court paid frequent visits to the Kanwoji, and it looked as if the Tokugawa family had become adherents of the Nichiren ; sect in fact, many feudal lords joined the sect to curry favour with the Court. Soon rumours began to spread of undue familiarities between the priests and the Court ladies who so constantly visited the temple, and one day Lord Wakizaka, director of the temple and shrine administration, stopped a long chest that was being carried into the palace from the temple and found a monk curled up inside. Very shortly the too inquisitive lord died of poison, said scandal, administered by the priests and the Court maids. Something had to be done. The priest of Kanwoji was arrested and put to death, and the same fate befell many of the Court ladies, but so evil were the times that people as a whole regarded the scandal with utter indifference. A second famous scandal concerned the Hokkeji, a well-known Nichiren temple at Nakayama, near Edo. Among the smaller temples attached to the Hokkeji were the Chisenin and the Shugenin, and the priest of the former called Nissho and that of the latter called Nikkei were known for their practice of spiritual curing, which brought them many adherents among uneducated people, and at last even in the Shogun's palace, where they paid frequent visits. Within the palace they entered into relations with some maids of the Court, and by this means removed certain treasures, the sale of which enabled them to live in luxury. The scandal was notorious, but no one dared to lift a finger against these two Nichiren priests until Lord Abe Masahiro was appointed director of temple and shrine administration in 1841, and he arrested the two priest-magicians. Yet, knowing their connection with the Shogun's Court, even Abe was afraid that he might suffer himself if he disclosed their doings in the palace, and he punished the two priests on the ground of immoral relation with private women. Nikkei was exiled and Nissho handed over to the priest of the Hokkeji Temple to be punished in accordance with the rules of the temple. The two female citizens who had been their paramours were also punished by the law for their crimes. Finally, twenty-one of the Court maids were dismissed on account of their connection with the case of the two priests. Even this scandal, like the other one, did not take the people at large by surprise, which shows how callous they had become. The number of ladies and maids in the Shogun's Court was really amazing. In the palace of Iyenari, the retired Shogun, there were more than forty concubines served by over 560 maids, making a total of 600 women in the palace. In the palace of the ruling Shogun Iyeyoshi were 194 women serving him in person and 85 maids serving his wife. Among the ladies in the retired Shogun's palace was Lady Omiyo, and in the ruling Shogun's palace Lady Anekoji Iyoko, both known for their beauty and sagacity, who ruled their respective lords with such absolute sway that the ministers of state dared not run counter to the feelings of these two ladies. In fact, the Court ladies replaced the Chamberlains around the Shogun, who formerly ruled the roast and had all the officials at their beck and call, and interfered constantly in politics.

THE REFORM OF MIZUNO TADAKUNI.—In 1841 the retired Shogun Iyenari died. Immediately after his death, Mizuno Tadakuni, the then leading minister of the Shogunate, had an audience with the young Shogun Iyeyoshi, and told him that with the death of his father the Shogun's Court had to be reformed. He asked to be entrusted with the work, and even threatened resignation unless he was given a free hand. Iyeyoshi reluctantly gave way, and Mizuno at once dismissed the Wakadoshiyori official Hayashi and two others, who, in concert with ladies and other women in the late Shogun's Court, meddled in politics and were a constant cause of trouble to the officials of the Shogunate. Other Court officials associated with these three men were also punished. Some were dismissed from their posts, and others deprived of their territories or official incomes. Many Court ladies and maids, 962 in all, were dismissed, mostly from the palace of the retired Shogun, whose influence had overshadowed that of the ruling Shogun. These women had been the greatest of the causes of the trouble in the Shogunate. Mizuno then turned to the reform of the administration, and called a meeting of the officials of the Shogunate, high and low, at which he announced that the "Shogun has decided to reform the administration of the Shogunate, so as to conform with the principles laid down by his forefathers, especially to comply with those established in the eras of Kyoho and Kwansei. The officials, therefore, are requested to fall in with the Shogun's wishes." By severe and quick methods the minister carried out his reform both in and outside the Shogun's Court, and the Shogun was asked to attend the trial of criminals in the law courts so that he might get an idea of what was actually done outside his palace. A greedy and insolent element in the palace was the ochabonz, or tea-boys, the personal attendants of the Shogun, who abused the privilege of close approach and for a bribe were always willing to act as go-betweens between the Shogun and those who courted his favours. These lads the minister severely disciplined. The people were forbidden to appear in the streets with their faces covered; lotteries were abolished; the farmers forbidden to use candles on ordinary occasions or wear leather-soled sandals, live in big houses, and support a barber in every farming village. No Edo cakes were to be sold in farming villages, or any such cakes made there. In Edo common people were forbidden to buy expensive cakes and women to wear gay clothes, or use hair ornaments of precious metal. Costly toys were prohibited, and no doll was to be more than eight inches in height. Professional women hairdressers were put out of business, and girls forbidden to learn the art of playing on musical instruments professionally. Barbers could no longer put up advertisements or signs, or themselves fix their prices; the sale of popular love novels was stopped; the price of a stone lantern limited to 10 ryo and of potted plants to 3 ryo. Signboards decorated with gold or silver or inscribed in Dutch were prohibited. Later, the minister went further still in his interference in the people's daily life, and decreed that the common people, both men and women, might wear silk pongee, cotton, or hemp clothes, but nothing more costly; among the farming classes the village officials alone were permitted to use silk pongee, and the farmers were confined to cotton clothes only. Both to farmers and merchants such costly stuff as silk crape, satin, and the use of belts, neck-bands, and bands on the kimono were specifically forbidden. All theatres and actors' houses were shifted to Asakusa on the ground that their presence in residential quarters was a danger to public morality, and the Treasury paid out 5,500 ryo to cover the expense of moving. Actors were forbidden to be present at social meetings and divided into two classes, one drawing 500 ryo and the other 200 to 300 ryo. Neither class could demand higher pay. No actor could ride in a palanquin or decorate his sword or other paraphernalia in gorgeous fashion: even on the stage the use of rich clothes with designs embroidered with gold or silver threads, Chinese silks, satin, habutai, velvet, etc., such as the samurai wore, red-sheathed swords, and gold and silver lacquer was against the law, as also for the country people to give public imitations of the theatrical performances of the Edo actors. Lord Mizuno was a practical reformer, for he not only issued decree after decree, but promptly carried out the reforms as planned. Many were punished for contravening his orders, and three culprits, among whom was Ichikawa Ebizo, an actor, had their properties confiscated and were driven out of Edo. Twenty more were deported from Edo. We are told of three renowned gardeners who, being in the service of the Shogun's Court, received frequent visits from the Shogun during the time of Iyenari, and owned magnificent mansions and beautiful gardens. The relentless reformer bid them destroy the one and uproot the other. All restaurants of a questionable character throughout the city of Edo were closed, and all peasants staying in the city of Edo, except those who had been residents for many years and were already registered in the city, were ordered to return to their farming districts immediately. Offenders against the order had their properties confiscated and were exiled from Edo or put into prison.

Lord Mizuno evidently thought that the people of Edo, who were a million and a half in those days, ought to be satisfied with just living, without any pleasure or enjoyment, and took care to deprive them of their freedom, all means of amusements or anything else that might make their life enjoyable. With these severe ideas he carried out his reforms so promptly that the people had no time to adapt themselves to the changed circumstances, and the curb was applied with such merciless severity that intelligent people felt that he was going too far, and that if he continued to take up the chain, Edo was headed for a perpetual Lent. Yabe Taiken, the then Governor of Edo, and well fitted for the post, protested against the severity of the enactments, and was instantly dismissed and replaced by Torii Yozo, who out-Mizunoed Mizuno himself and made the minister generally detested. It is not to be supposed that Mizuno did not know the risks he was running, but in his eagerness to see immediate results, which he believed to be the only road of salvation for the prestige of the Shogunate, and in his determination to raise the deplorably low moral standard of the people, he was irrevocably set upon rigid enforcement. Then was Mizuno disliked even by the serious-minded, though they must have known that his reforms were imperatively necessary? The answer is that his intriguing nature earned him distrust. He had first paid court to the Lady Omiyo, Iyenari's favourite, and through her got his start in political life. Later, he introduced to the Shogun another girl, daughter of Fugetsudo, the confectioner, who quickly won his favour, and when Iyenari died, Mizuno drove Omiyo and her party out of the castle and threw all his influence on the side of the later concubine who played the part of spy for him in the Court. Outside the castle her father, the proprietor of the Fugetsu-do Cake Shop, was spying among the Shogunate officials and other samurai in the city, and this detective system, which always looked on the dark side and not on the bright, damned Mizuno in the eyes of the people. His political type was that of a detective statesman, and therefore in spite of his high aims he received no support from the *intelligentsia*. In foreign affairs he was as narrow and obstinate as in home politics. We have seen how he was supported by Nariaki, of Mito, in his political reforms, and this scion of the Tokugawa advised him to build European-style ships, and enforce strictly the traditional isolation of the Tokugawa Shogunate against foreign countries. Lord Mizuno accepted the second recommendation, but not the first, on the ground that it was against the traditional policy of the Tokugawa Shogunate, which prohibited the importation of industries, arts or anything else from the West. Nariaki, of Mito, is noted for his obstinate, conservative ideas about foreign affairs, but

Mizuno went even farther than he did, and when we find such a hidebound and narrow-minded politician regarded as one of the few noted statesmen of the Tokugawa Shogunate, it shows very clearly how few able men the Shogunate could rely upon at the time. In 1828 an English ship picked up seven shipwrecked Japanese and attempted to bring them to Japan. Meeting a Dutch ship, the English were told that the Japanese had for ages prohibited foreign intercourse except with the Dutch and the Chinese, and that the Japanese Government would not receive even their own rescued countrymen direct from the English. The Dutch offered to take over the seven Japanese on behalf of the Japanese Government, but the English declined, as they suspected the motives of the Dutch in this connection, and besides intended to take the opportunity of opening intercourse with the Japanese. They insisted, therefore, that they would hand the shipwrecked men over to the Japanese themselves. The Dutch feared trouble if the English ships insisted on approaching the shores of Japan, and reported to the Shogunate beforehand that an English Government envoy called Morrison would soon come to Japan to negotiate the opening of intercourse between his country and Japan. They also told Edo of the aggressive policy that England had pursued in China, and recommended that Japan should agree to open intercourse with England, rather than have any trouble with her. But the leaders of the Tokugawa Shogunate, ignorant of the conditions of the world, could not appreciate what the Dutch suggested, and decided that if an English fleet came to the coasts of Japan they would attack and drive it out of the Japanese waters as they did in 1825. Their only knowledge of the world came from the informations given by the Dutch captains from time to time, and they did not know what position England occupied among the countries of the world. In sea power Holland was, of course, a back number. A year after Resanoff's visit to Nagasaki, Nelson had won the battle of Trafalgar. In 1824 the English had occupied Singapore. Their warships were well armed with guns, manned by experienced gallant crews, and were in no way likely to be frightened away from the coasts of Japan by any threat Edo might make. But the officials of the Shogunate knew nothing of this and believed that they could drive away the foreign ships at once, if they came to the coasts.

THE BANSHA MOVEMENT.—By this time the Dutch language and learning were pretty well studied by a certain class of Japanese scholars, and under the influence of a Dutch physician von Siebold, then in Japan, the number of those interested rapidly increased, and they formed an association, which was commonly called the Bansha, or Savage Association. In 1830, when Siebold was in Edo, Takahashi

Sazaemon, an astronomer of the Shogunate, asked him to give him a copy of the latest map of the world which the Dutch physician had with him. Siebold offered to exchange it for a map of Japan, and Takahashi broke the law and made the exchange. For this he was arrested and put into prison, where he killed himself. The Japanese scholars of Chinese learning, who were jealous of the growing influence of the Bansha scholars, seized the opportunity given them by this incident and denounced the Japanese scholars of Dutch learning ; declared that they were disloyal to their own country, and urged on the Government that the study of Dutch learning should be prohibited and that the Japanese proficient in it be placed under a strict guard. In October 1838 the members of the Bansha, whose influence seemed lost, met in conference, on which occasion Haga Ichisaburo, secretary to the Council of the Shogunate, attended the meeting and told them of the Dutch advice in connection with the reported visit of an English fleet to Japan. Concluding his statement, Haga said that an accredited envoy from England called Morrison would come to Japan with the Japanese whom the English had picked up at sea, and would propose to open intercourse with Japan, but that the Shogunate had decided to refuse England's proposal and attack her ships, if they approached the coast. The members of the Bansha listened to Haga's statement with astonishment and declared it was simply kindness on the part of the English to return the shipwrecked sailors, which should be appreciated and not met by an armed attack, which, in any case, was a rash measure to take against the strong and well-equipped British navy. Moved by these feelings they started a movement against the foreign policy of the Shogunate, which they declared did not comply with the prevailing conditions of the world. Watanabe Noboru, Takano Choyei, and others wrote books, discussing the foreign policy of their country, which were severely criticized by the conservative scholars, who were their bigoted opponents. Nevertheless the Bansha presented their books to Ota Sukeharu, lord of Bingo, who was one of the ministers at the time, and they were distributed widely among scholars and politicians and everywhere discussed.

THE DUTCH SCHOLARS PERSECUTED.—Torii Yozo, the then Governor of Edo, was one who always looked for the mote in the eyes of others, and a typical detective politician. Clever but cruel, as a Chinese scholar he hated the Dutch scholars, and attempted to fasten a criminal action on them in connection with their books, and to arrest the principal Bansha members. Both Watanabe Noboru and Takano Choyoi fell into his clutches, but Koseki Sanyei, one of the most renowned Dutch scholars of the day, and a retainer of the Lord of

Kishiwada, committed suicide before he could be arrested, for fear that his arrest might get his lord into trouble. The reason or pretext given by the Shogunate for arresting these Dutch scholars was that they were working in concert with Morrison, who was coming to Japan as the envoy from England, to extort money from the rich. When the English envoy arrived and the Shogunate refused to receive him, said the officials, these Dutch scholars intended to fly their country with him. The judge in charge of the case could find no crime in them, but as Torii Yozo persisted that the two men should be found guilty and be put to death; they had to be punished. The ground given for the decision was that the prisoners through their knowledge of the Dutch language and learning were cognizant of the conditions in Western countries, especially their political organization and strong armament, and, misled by their knowledge, had dared to discuss the foreign policy of the Shogunate, which was prohibited. Watanabe was confined to his own house, and Takano was sentenced to permanent imprisonment, but later escaped and, after various wanderings, found refuge at Kishiwada in the province of Kishu, under the protection of the Lord of Kishiwada. The Shogunate spies unearthed him, and he returned to Edo, where he burned his face to change his appearance, and thus foil the police. In Edo he hid himself in the house of his mistress, and there translated a Dutch book on military tactics for Lord Shimazu of Satsuma. The translation was so well done that Ito Genboku, a Dutch scholar, said that Takano must have done it. The police were soon on his track again, and at last the persecuted man committed suicide. These two men out of the way, Torii and his associates in the Shogunate turned their attention to another distinguished Dutch scholar, Takashima Shirodayo, who was the head of the Nagasaki commerce association, a learned Dutch scholar and an expert in artillery. He was said to have unrivalled knowledge of the West and things Western and naturally had enemies among the conservatives, who accused him of worshipping foreign culture and arts of fighting, and despising those of his own country. Torii Yozo and his party even charged him with being in traitorous alliance with the foreign men-of-war in attacking the coast of Japan. On this accusation he was tried and found not guilty, but finally he was imprisoned at his own house on the charge of embezzling money belonging to the Nagasaki Commerce Association. Thus the principal Dutch scholars in those days were all either imprisoned or forced to kill themselves, and it was fully demonstrated to the public that the policy of the Government was to persecute Japanese who studied the Dutch language or culture and those associated with these Dutch scholars. Their friends discontinued intercourse with them lest they might get into trouble on that account, and the Dutch scholars lost their influence. It is a strange commentary on this persecution that Lord Mizuno learned a great deal from the forbidden books and realized that Japan, with her then armament, could not cope with the foreign men-of-war, and accordingly when they arrived the Shogunate not only did not take any offensive action against them, but rather did everything possible to placate the strangers.

The Abolition of the Tonya.—Though he altered his foreign policy for the reason and in the circumstances given above, Lord Mizuno continued to enforce his reforms in home politics as severely as before. Viewing the high prices of commodities in Edo, he concluded that they were due to the tonya system, especially the Tokumi Tonya Association, which monopolized trade in the metropolis. In June 1839, therefore, he abolished by order the Tokumi Tonya, which, although it consisted of ten different lines of wholesale trade, included more than 12,900 merchants representing the different lines of trade, and controlled all the chief branches of commerce. It may be said that when the formation of the said organization was first proposed, the Shogunate not only permitted but encouraged it, in the hope that the prices of commodities in the capital city might be thereby adjusted, and for that reason gave the organization the exclusive rights of handling certain lines of trade, ordaining that commodities in which the members of the said organization dealt should not be sold in the market, unless through the hands of these merchants. But the hope of the Shogunate was betrayed by the organization, for the Tokumi Tonya always attempted to raise the price of commodities to increase the profit of its members. (Vide the chapter " Tonya System " for particulars of the Tokumi Tonya.) Lord Mizuno knew all this perfectly well and abolished the system to bring about free trade in the principal commodities in the capital. At the same time he abolished all other wholesale systems as well, his policy being direct transactions between the producer and consumer. We can see that he went too far, yet it must be admitted that the abolition of the Tokumi Tonya system was one of his greatest achievements. The association, however, contained many rich merchants, with a number of workmen in their employ, and had existed as an economic system for over two hundred years. The sudden abolition threw a large number of people out of work, who all naturally looked upon Lord Mizuno as their enemy and longed for his speedy fall.

Lord Mizuno's Economic Policy.—In spite of reforms, the financial difficulties of the Shogunate increased. The revenue in 1842 was 1,100,445 ryo in gold and 577,700 koku in rice, and expenditures 1,635,288 ryo in gold and 570,043 koku in rice, showing a surplus in rice of 6,270 koku, and deficit in gold of 534,800 ryo. To cover this deficit, Mizuno attempted to raise contributions from among the rich merchants, and in July 1843 a decree was issued for the purpose. Formerly, when such a contribution was raised, it came principally from Osaka and Edo, but this time 1,124,000 ryo was to be raised among thirty-seven rich merchants in Osaka and 120,000 ryo among the rich merchants in Hyogo and Nishinomiya, nothing being levied on Edo. The rest of the deficit he planned to make up by debasing the coinage, but there now rose a question which quickly developed into serious dimensions and brought about the fall of the Mizuno administration. As a part of his financial policy, as well as for political and military purposes, the minister had planned to make direct territories of the Shogunate of all the land within a 10-ri radius of the city of Edo and the city of Osaka, and attempted to remove all the feudal lords there to some other districts. The daimyos concerned set out to protect their own interests and were supported by their relatives in an opposition to the scheme, which grew very serious. The Shogun, in pursuance of the Mizuno plan, issued an order for the removal of Lords Matsudaira Yamato-no-kami, Sakai Sayemon-nojo, and Makino Bizen-no-kami, but Lord Tayasu and the Lord of Mito, both of the direct branches of the Tokugawa family, on behalf of these three lords, appealed directly to the Shogun not to remove them from their territories, and in the event the Shogun wrote Lord Mizuno and requested him to withdraw the order. Mizuno refused on the ground that the withdrawal of an order once issued would ruin his prestige and that of the Shogunate, and insisted on enforcing the order. The Shogun, on his part, remained firm, and Mizuno, on the plea of illness, ceased to attend to his official duties. His enemies were now all combined against him ; Nariaki, of Mito, withdrew his support ; the people of Edo detested him. The order for the removal of the three feudal lords proved the spark that blew up the magazine, and to the delight of almost every one the Shogun dismissed Mizuno, together with most of his coadjutors, and withdrew the offending decree. The same night a mob attacked the fallen minister's house. Troops had to be called out and many rioters were arrested, but when brought before Governor Nabeshima Takumi, elder brother of Nabeshima of Saga, he pretended to believe that they had surrounded the house on an errand of assistance, believing it to be on fire. They should be praised, not punished, said he, and set them all free, a decision which was approved by the Shogunate officials. All this is proof that the Shogunate had completely lost its prestige by that time, and was only eager to please the lords and the people generally, so that they might not rise and throw off the rule of the Tokugawa, which was always the bugbear of the statesmen of the Shogunate. In two years Mizuno's reforms vanished into the limbo of oblivion, and the city of Edo became again gay and luxurious as during the reign of Shogun Iyenari.

LORD NARIAKI OF MITO IMPRISONED.—Lord Mizuno was succeeded by Doi Toshiye and Abe Masahiro, as joint ministers, but they could not see how things were moving, and that a great political revolution was threatening. The peaceful days and the rule of the Tokugawa Shogunate would last for ever, they believed, and, as a matter of fact, they never had any policy at all. They just drifted as a man might drift with the current down a river, doing no more than occasionally removing obstacles in the way of the boat. In the meantime the sentiment in favour of the restoration of the Imperial regime in the place of the military rule of the Shogunate spread widely among the political ronins or adventurers, scattered throughout the country, and the feeling was increased by the reckless or irresponsible doings of Edo. No longer was the propaganda in favour of the restoration of the Imperial regime confined to the Court nobles and scholars of Japanese classics. A movement confined to the ronins would not touch the people at all, but if any strong feudal lords with political ambitions and discontented with the administration of the Tokugawa Shogunate were to join the movement, it would be a very serious affair for the house of Tokugawa. This would appear almost axiomatic, but Doi and Abe were blind to it, and they just went on from day to day, engaged in removing obstacles in front of their boat, but showing no political foresight at all. Tokugawa Nariaki, of Mito, advocated loyalty towards the Emperor, a stronger armament for the Empire, and refusal to enter into intercourse with foreign countries, and was therefore *persona non grata* to the statesmen of the Shogunate. In May 1844, by order of the Shogun, he was confined to his residence at Komagome, Edo, and his retainers, who shared his opinions, such as Fujita Toranosuke, Toda Jinjiro, and others were also imprisoned at their respective houses. Scarcely had Lord Doi and Lord Abe removed the obstacle constituted by the Lord of Mito, when they received surprising news from Kyushu of the appearance of a French warship off the Loochoo Islands. In March a French warship had unexpectedly appeared and the captain told the King of Loochoo that England was indignant with Japan for rejecting foreign intercourse and was planning to attack her, for which purpose they intended to occupy the Loochoo Islands as their base. The only means of escape was for Loochoo to place herself under French protection. The French ship then sailed away, leaving behind them one Chinese and one Frenchman.

This news took the statesmen of the Shogunate by surprise, and it came so unexpectedly, and at the time when they were occupied with home difficulties, that they did not know what to do. So puzzled were they that the Shogun asked Lord Mizuno to return to office again, and although the ex-minister at first declined, in the end he allowed himself to be prevailed upon. Hori Yamato-no-kami was appointed his assistant. Lord Abe still had many supporters, and the officials of the Shogunate were divided into two parties, one under Lord Mizuno and the other under Lord Abe, who were always at daggers drawn.

The King of Holland advises the opening of the Country to Foreign Intercourse.—In June 1844 the Dutch resident at Nagasaki informed the Shogunate by letter that a Dutch man-of-war was coming to visit Japan, and would need to be received in accordance with the rules and customs of the world. Shogunate officials could not search the warship for arms as if she were a merchantman ; the officers would have to be permitted to come ashore wearing their swords, and proper salutes by gun-firing would have to be exchanged between shore and ship. The officials of the Shogunate were very suspicious, and though they agreed to salute the Dutch warship, they would not agree for her to respond with her own guns. In August the warship *Balenburg* arrived at Nagasaki with a letter from the King of Holland to the Shogunate. In this letter the King sincerely and kindly explained the situation of the world, pointed out the dangers of Japan's position, and advised the Shogun to open his country to intercourse with other countries. Accompanying the letter were a number of presents calculated to reveal something of the conditions of the outside world. They were :—

A life-size portrait of the King of Holland by a famous painter, in a gilded frame.
A glass chandelier.
A big glass flower vase.
One piece of field artillery.
One rifle.
An atlas of European maps.
The latest map of the Dutch East Indies.
A large volume of the travels of Juriname (?).
The history of the Dutch East Indies, in three big volumes.
A pictorial explanation of plants in the East Indies, in two large volumes.
A pictorial explanation of the plants in Europe, in three large volumes.
A pictorial explanation of the plants in Japan, in one volume.
A pictorial explanation of the animals in Japan, in four volumes.
A general geography of Japan, with an astronomical supplement, in two volumes.
A mathematical explanation of the globe, in one volume.

A book of fundamental astronomy, in two volumes.
A book of astronomy, in five volumes.
Tlcaraff's astronomy, in one volume.
Von Adams' astronomy, in one volume.
Natural history of the world, in one volume.
Records of the phenomena of the universe, in one volume.
Records of the phenomena of the universe, in one volume.
Observations on the planet Jupiter, in one volume.
Elengers' explanation of the comet, in one volume.
A text-book on astronomy, in one volume.
Halley's explanation of the comet, in one volume.
A history of the universe, in one volume.
A record of the comet, in one volume.

Conservative Opinions win.—This was all an eye-opener to the officials, who realized for the first time the ambitions and greed of foreign countries, and that Japan with her feeble armaments was not in a position to refuse their requests. Eleven months passed without their making any answer to the royal letter, and in this interval the conservatives came to the top. The traditional isolation, said they, must be observed, and should foreign warships come, divine interposition, as in the case of the Mongol invasion, would defeat them. Accordingly, in June 1845, the Shogunate replied to the King of Holland, not only declining to open intercourse with any foreign countries, but even refusing further communication with the Government of Holland, saying that though Japan permitted the Dutch to trade with them, she could not enter into any treaty with the Government of Holland. In spite of this bold reply, the Shogunate was by no means prepared against a possible attack or invasion, and, to tell the truth, knew very well that Japan's armament was so poor that she could make small resistance against European countries. But the majority of the samurai, knowing nothing about Europe, were just indignant with the foreigners, whom they did not like, and believing that their country would be ever victorious in her wars with any foreign countries, propagated anti-foreign feelings among the people. The leaders of the Tokugawa Shogunate, who ought to have led public opinion properly, could not, or were not prepared to, correct the people, and rejected the advice of the King of Holland, but they had no principle to guide them in this policy. Like ostriches they hid their heads in the sand. News came that a British warship had visited the Loochoo Islands in May, as had been expected, and Edo encouraged the practice of the art of fighting among the samurai and began to train them in Western methods. The whole nation was in a fever of anxiety. Wherever two or more people met together they were sure to talk about the foreign policy of the Shogunate, which occupied their minds so much, and the wildest rumours spread all over the country.

The Two Factions, the Mizuno and the Abe Fighting each Other.—While the foreign relations of Japan were in such a delicate state, the officials of the Shogunate, divided into two factions, were fighting each other. With the return of Lord Mizuno, Torii Yozo, Governor of Edo, the persecutor of the Dutch scholars, lifted his head once more and began to spy into the doings of the political enemies of himself and Lord Mizuno, with the object of removing from office those who opposed the foreign policy favoured by himself. The followers of Abe Masahiro naturally began to tremble, as they were aware that Torii's object was to overthrow them, so that Lord Mizuno and his followers could control the Government, and in their turn they began to countermine again Torii and his associates. They soon discovered many misdoings, which they disclosed; and Torii's relations with the gold mint proved a fatal blow to him and Lord Mizuno as well. The gold mint of the Tokugawa Shogunate at the beginning was in sole charge of Goto Shozaburo, and later the Gotos were divided into several families, all connected with the work of the gold mint, in co-operation with several other persons who joined the work as directors. A Goto was always named the president of the directors. Some years before, however, the head of the principal Goto family was found guilty of embezzling official funds to the amount of thousands of ryo in gold and was beheaded, his head being exposed at the gate of the prison for a warning to the public. Torii Yozo was then Governor of Edo, and a certain Goto Sanyemon, of a junior branch, got access to him and laid before him a scheme for the revision of the currency system and an adjustment of the Shogunate's finances, which greatly pleased the Governor. Thus encouraged by Torii and other Shogunate officials, Goto did all he could in the matter, and as a reward for his service he asked the Shogunate to raise the social rank of his family, so that he, as an official of the Shogunate, could receive the same respect as any other samurai official, pointing out that Goto Shozaburo, the founder of the Goto family, had had special relations with Tokugawa Iyeyasu, the founder of the Tokugawa Shogunate. This petition stirred the ire of Shirobei, member of another branch of the Goto family connected with the gold mint work, who declared that his was the family to be raised in social rank if any of the Goto families were raised at all, and started a counter-movement among the Shogunate officials for this purpose. Torii's connections with Goto Sanyemon were disclosed incidentally, and Abe Masahiro and his men in the Shogunate pounced upon them as the very thing they had been searching for.

Torii was dismissed from his office at once and put under the ward of Kyogoku Nagato-no-kami at Marugame, in the Island of Shikoku. Goto Sanyemon was put to death. Lord Mizuno and Lord Hori, the two ministers, were accused of being involved in the same scandal, and Lord Mizuno was removed from Hamamatsu to Yamagata, while Lord Hori was imprisoned at his own residence. The Mizuno influence fell, never to rise again, and Abe Ise-no-Kami Masahiro remained sole arbiter of the Shogunate for many years to come.

CHAPTER LXXVII

WORKMEN'S GUILDS IN THE TOKUGAWA PERIOD

From the Slave Economy Period to the Wage Economy Period. In the early period of the economic history of Japan, slaves formed the principal factor in the economic system of the nation. From towards the middle part of what is called the Imperial period in which the Emperor personally ruled the country, the arable land, and not the slaves, constituted the principal factor in the nation's economic life, forming the land economic period. But even when arable land formed the principal factor in the nation's economic life, the common peasants had to remain where they were, and had very little freedom to move from one place to another ; in other words, their position was still that of a slave. In the slave economic period such labourers as carpenters, plasterers, smiths, metal-casters, saddlers, dyers, weavers, grooms, and others, who are nowadays called wage-earners, were mostly slaves, or came out of the slave class, and these different kinds of workers had been in a slave state for a longer period than the peasants had been. With the advent of the money economic period, these day-workers quickly got freedom and became free men before the peasants had completely risen above their slavish condition. The peasants, of course, could work on the land only, and hence were forced to remain on it toiling like horses and oxen, but the position of the " wage-earners " was entirely different. Their place was in the cities or towns, where the rich lived, and as money circulates from one place to another, these day-workers moved from one city or town to another as freely as they wished. The market where they sold their labour was wider than that of the peasants, hence they had more freedom than the peasants. In the Tokugawa period the day-workers became a class of people who moved and worked for and lived on wages, and had left behind the state of slavery. It may be said, therefore, that in the Tokugawa period Japan entered the wage economic period, but as very little is known about the circumstances in which the slave developed into the farmer, then into the land-owner, and finally into the feudal lord, even less is known as to how the slave developed into the wage-earner. We have very little material for inquiry into either branch, but since it is still less in respect to the wage-earners than the peasant we can assume that in the early period of our history these day-labourers were a less important factor than the farmers in the nation's life.

The Workmen's Guild.—As we find a guild formed by workmen as early as in the 16th century in Japan, the system antedates the Tokugawa period, and was born perhaps during Ashikaga. One difficulty in dealing with the history of labour is that a labourer did not always remain a labourer, but became a capitalist or merchant, and a farmer, instead of remaining a farmer for ever, became a samurai or feudal lord, if circumstances favoured him. For instance, Goto Shozaburo, who was appointed by Tokugawa Iteyasu to the charge of the Gold Mint, had been a metal-worker, but made a fortune and became a gold and silver merchant, ranking among the capitalists of his day. There were many similar instances in other lines of trade, such as a weaver becoming a dealer in textiles or a dyer becoming owner of a dye-house or a dye merchant. As long as the nation's life was stagnant, there was no distinct discrimination between the farmers, the commercial men and the artisans; some were merchants but did the work of an artisan, while others were artisans and at the same time merchants. It was in the Ashikaga era that discrimination became distinct among these three classes of people for the first time, and it was in that period in history that the day-workers formed a class of their own.

The Shokunin-za, the Prototype of the Workmen's Guild.—According to the *Kyoto Onyakusho muki Taigai Oboi-gaki* or *General Memoirs of Affairs of the Shogunate Offices in Kyoto*, the director of carpenters, the chief carpenters and the carpenters, sawyers, and others in the districts neighbouring the city of Kyoto accorded such privileges were requested to send in their application for the confirmation and continuation of the same in 1633. The use of the words " confirmation " and " continuation " makes it clear that there had been a class group of workmen accorded special privileges by the Shogunate previously. How old these privileges were cannot be ascertained, but the numbers are interesting.

The carpenters in the Gokinai districts and the province of Omi numbered 7,260 in all, of whom 1,762 were given the special privileges by the Shogunate.

The sawyers and others in the said six districts numbered 6,356 in all, of whom 241 were given the special privileges by the Shogunate.

We are told that as regards the carpenters, the sawyers, and others, the regulations were revised in the 12th year of Kwanyei (1635) by Kobori Totoni-no-kami and Gomi Bingo-no-kami, but the special privileges were given under the new regulations, as before; and since the workmen who had been so privileged were instructed to send in their application for the confirmation of their privileges, we may assume that the privileges had been customarily regarded as unwritten law for many years, which, with the revision of the regulations, the Shogunate wanted to have confirmed in writing. It may be that such privileged groups of workmen already existed towards the middle of the Ashikaga period (1338–1573). What were these privileges granted by the Government? It appears that the men of the privileged group were exempted from taxation, and then given the power of controlling the other workmen in their respective localities. This may be regarded a beginning of a kind of a workmen's guild, for the guild of latter years was nothing but a growth of the Shokunin-za as a system in which a certain group of workmen was given special privileges by the Government.

THE CARPENTERS' GUILD IN EDO.—By 1684 there were twenty-seven different groups of coopers in the city of Edo, controlled by Nosoi Tojuro and another, who were the heads of the coopers attached to the Shogunate, and also in charge of coopers' work in the Shogun's household, and the coopers belonging to any of these twenty-seven groups paid dues to these men, according to a book entitled *Enquiries into the Revived Tonya System*. Although the book simply states that these twenty-seven groups of coopers paid their dues to their controllers, and were in the service of the Tokugawa Shogunate, yet it may be inferred that they were given certain privileges in return for their services, and that others would not be permitted to engage in their line of trade. Though it was during the era of Tenwa (1681–3) that the coopers in Edo divided themselves into the twenty-seven groups, yet it is stated that these coopers had been under the control of their chief carpenters from time gone by, and we may deduce that the system was in existence when the city of Edo was founded, and had been started in the time of the Ashikaga Shogunate.

THE REPRESENTATIVE TRADESMEN IN EDO.—In January 1699 the Shogunate appointed representatives of the carpenters and eleven other kinds of trades in Edo, who represented to the Shogunate the workers in their respective lines and at the same time were in charge of the affairs of their particular trades. The trades represented were carpenters, sawyers, lacquerers, goldsmiths and silversmiths, blacksmiths, mat-makers, roofers, plasterers, coopers, tilers, masons, and paperhangers.

> The above-named persons [says the decree] have been appointed the representatives of their respective lines of trade in the city, and the same should be made known not only to the artisans working on their own account, but to those who are working for others, apprentices and so forth, and these must obey the orders of their representatives and never disregard or disobey their commands. Notification must be made to all artisans of the different lines in the city.

The Shogunate named eleven representatives for the carpenters, five for the sawyers, two for the lacquerers, four for the goldsmiths and silversmiths, two for the blacksmiths, four for the mat-makers, two for the roofers, three for the plasterers, three for the coopers, three for the tilers, two for masons, and one for the paperhangers. There can be no doubt that under these representative men were formed the different associations of artisans belonging to each line. Though we have no available material to prove the existence of such associations in Edo, in Nagoya there was an association formed by the joiners. According to the *Municipal History of Nagoya*, the Sashimonoshi, or joiners, in that city formed a Nakama or guild among themselves, which drew up a code of rules to be observed by its members. In June of the year of the Bird, so the document is dated, the head of this guild wrote to the Kimoiri, as the representative man was called, of the joiners in the city of Gifu as follows :—

> Since times gone by there have been rules among the joiners, and the Kimoiri and Kumigashira-yaku or representative or head of the association should always see that these rules are observed by the artisans. If anyone of them violates any of the rules, he should be duly punished for the offence, etc.

This document is signed by Oye Ichibei, described as the chief joiner, and makes it clear that the Kimoiri was one who managed a Kumiai or association of tradesmen, and that where there was a Kimoiri there must have been a Kumiai controlled by him.

THE KIMOIRI, A DEVELOPMENT OF THE ZA SYSTEM.—It would be hasty to conclude that any association or system under a Kimoiri was the same form of association as that of a Kumiai or Nakama, which grew up after the middle part of the Tokugawa period. The period under review is a transition one from an economic standpoint, and stands between the Za system of the Ashikaga period and the Kumiai system of the Tokugawa. Thus though the Kimoiri succeeded to the rights of the Ashikaga Za system, in which individuals held these rights exclusively, yet under the Kimoiri there were hundreds of independent tradesmen who were engaged in their respective trades, and such a system cannot be called a Za any more. The Kimoiri was appointed by the Government officially, and his position resembled in some degree only that of the Gyoji of a Kumiai system in the later years. The Gyoji of a Kumiai was elected by the members of the Kumiai from among themselves, the period of his tenure of office was fixed for one month or one year, but he could be replaced at any time if the members of the Kumiai did not approve his management, etc. The position of the Kimoiri was different. He was appointed by the Government, his position and rights were accorded him by the Government, there was no time limit for his tenure of office, and he could hold it as long as the Government was satisfied with what he did. Moreover, he had absolute power over the men under his control, in which respect the system was, therefore, like the Za system. The system under the Kimoiri is in fact a combination of Kumiai, for the Kimoiri had absolute rights over the men belonging to his system, like the head of a Za, while under him there were many individual tradesmen forming a sort of Kumiai. The system is a development of the Za system and occupies a transition stage in the nation's economic life between the Za system and the Kumiai system.

THE CONTROLLING RIGHTS OVER THE METAL-CASTERS APPLIED FOR.—That the Za system in the Tokugawa period was different from the system of the same name in the Ashikaga period, and that the essential factors of the latter are rather to be found in the Kumiai system of the Tokugawa, has already been stated more than once, and further proof has been adduced from the system among the coopers in the city of Edo already dealt with. In order further to support this argument we will dwell upon the application that was made to the Shogunate in 1776 for the controlling rights over the metal-casters throughout Japan, which shows how casters formed a sort of Za at first, then became independent tradesmen, finally formed a Kumiai of their own, and adopted a Kabu system among themselves. To explain the incident we have to narrate briefly the circumstances attending it. The application was made in 1776 by Matsugu Sado-no-kami, an official attached to the godowns of the Imperial Court in Kyoto, asking the Shogunate to give him the controlling power over the casters all over the Empire, which, according to him, had been under the control of his family for many generations since the time of his forefathers, in proof of which he put in many documents. He wanted to have the rights which his forefathers held restored to him, that is to say, the rights by which he or his family would issue an official licence to the casters throughout the country, and that only those holding this licence would be permitted to engage in the trade. According to him, these rights had been given his progenitor exclusively by the Emperor long ago, and had been held by his family for many generations, but in later years the Casters' Za fell into disorder, and the casters in the different parts of the country did not worry any more about getting a licence from the Matsugus, but engaged in the business as they liked without any official licence. What the applicant asked the Shogunate to do was to restore the former Za system, empowering the Matsugus to control the casters throughout Japan, under which system whenever the head of the Matsugus changed or anyone succeeded to the right of a caster, the caster would have to come up to Kyoto to get a licence from the Matsugus. When a new Emperor ascended the throne, the casters would visit Kyoto in order to pay their respects to the monarch. Respect and service would have to be paid to the Matsugus on such occasions as New Year's Day, or Hassaku, or the first day of the eighth month (of the lunar calendar), by which time the rice is supposed to become ripe, the day being also a public holiday as the anniversary of the first entry of Iyeyasu into his Edo castle. The applicant also asked the Shogunate to order casters who had newly started in business or had not been engaged in the trade for many years to cease trading. The whole application throws an extraordinary light on the Za system in the Ashikaga period. At the time of his petition there were laws and regulations governing the trade of casters, but as Matsugu was a purveyor to the Imperial Court in Kyoto, and insisted that he possessed documents supporting his application, the Shogunate did not turn him down at once, but ordered an official investigation. Inquiry showed that there were some casters engaged in their trade under a licence from the Matsugu renewed in each generation and under the old Za system, while others, whose forefathers had taken a licence from the Matsugu at first, had later discontinued it, and were engaged in the trade either with some other licence or without a licence at all. Further, there were many casters in different districts trading on their own account without licence from the Matsugus or anyone. Among casters who knew not the Matsugus, it was found that Tsuchina Tosa, Kimura Shokan, and some others in Edo who were in service to the kitchen or the workshops of the Shogunate, those belonging to the Kama-za of Nijo in Kyoto, the casters in the district of Yamashiro who were under the control of the Kettle-za in Kyoto, and casters in the districts of Suruga and Totomi under the control of Shichirozayemon at Mori-machi village in the district of Totomi, had all been engaged in their trade for more than one hundred years under licence from the Shogunate; that the casters in the city of Osaka had been licensed by the Shogunate in 1770; that the family of Riyemon, a caster in the city of Aizu, in the district of Oshu, with a licence from the Imperial Court, had been engaged in the trade for more than 630 years, and that none of them had any connection with the Matsugus. Though the forefathers of Matsugu Sado-no-kami were once given by the Imperial Court the controlling power over the casters in the different parts of the country, as proved by the documents in Lord Matsugu's possession, yet that was ages ago. Later their control had ceased, and for many years they had nothing to do with the casters, and it was too late for them now to recover their lost power.

As there were many casters who had been working for many generations without any official licence, the market would be all upset, if they were suddenly forbidden to work at their trade. Besides, if an old form of a Za system were adopted for the trade, many would suffer from the complicated regulations and heavy taxation. For these reasons, therefore, the Shogunate rejected Matsugu's application. As Matsugu, in his petition, used the term "Za" in connection with the control of the casters, we may assume that the casters in the different parts of the country came within the orbit of the Za system, but this was many years ago. Fifty-five years previous to this incident the Tokugawa Shogunate had permitted the formation of a Kumiai or guild by tradesmen, and thereafter the Kumiai and Kabu systems gradually took the place of the Za systems in commerce, though even then casters belonging to the Kettle-za at Nijo in Kyoto still maintained the old form of Za system. The casters in Osaka were the first to adopt a Nakama or Kabu system among themselves with a permit from the Governor of Osaka. There were at first twenty-five shares under the system, and the members of the association paid twenty-five pieces of silver as tax to the Shogunate for the privileges given to the association, but in 1773 the number of shares was increased by one and the tax raised to twenty-seven pieces of silver.

THE CONTROL OVER THE CARPENTERS APPLIED FOR.—In 1787, or twelve years after Matsugu Sado-no-kami's application already spoken of, Goroji, a carpenter in Hamamatsu, claimed from the Shogunate the controlling power over the carpenters in the three districts of Suruga, Totomi, and Mikawa, saying that he possessed the documents supporting his claim. This claim was in all respects similar to that of Matsugu Tosa-no-kami; in other words. what both of them claimed from the Shogunate was the controlling power that a Za system had over its members. The Shogunate had investigated Matsugu's claim because it was mixed up with the Imperial Court, but Goroji it treated in a much more cavalier manner. His petition was summarily rejected, and he was threatened with prosecution. Of course, in the two eras of Genroku and Kyoho, the old Za system had developed into such improved commercial systems as the Kumiai, the Kabu, and the Nakama, and there was no room for the revival of the old Za system as it existed in the Ashikaga period.

THE WORKMEN'S GUILD ASSUMED A LEGAL FORM.—In 1699, as we have seen, the Shogunate appointed the Kimoiri for the carpenters and ten other kinds of manual workers in Edo, and now, over twenty years later, in November 1721, officially permitted the different kinds of tradesmen and merchants to adopt the Kumiai system. The decree that was issued in this connection and the particulars of the system are already covered in the chapter on the Tonya, and with the decree the guild of the manual workers assumed a legal form for the first time. Each guild had a director elected by and from among the members, and holding office for one month. A roll of members was kept, and no one whose name was not registered therein could be regarded as a member of the guild. This roll was certified by the director and periodically inspected at the local government office. The moment a man's name was registered in the roll, he could practise his trade and was entitled to all the rights and privileges of a member of the guild. The aim of the Shogunate in sanctioning this guild system was to prohibit the manufacture and sale of any new, strange articles and to adjust the prices of different goods and of labour. It is true that the Kumiai system among the tradesmen and merchants was already an established fact, but the Shogunate recognized it officially for the purpose of controlling these guilds effectively. Hence the registration of the names of the members of each guild was essentially important. After the adoption of the Kumiai system, a man who wanted to engage in any line of trade had to apply for membership. Anyone who practised a trade without joining the appropriate guild, or having his name registered in the guild's record-book, was punished for it. If any worker refused to join the guild of his trade, the guild would report it to the local government office after proper investigations into the matter by the members. Any member of a guild intending to give up entirely or change his trade had to report to the guild and get that part of the guild's record-book which concerned him altered accordingly.

THE EVILS OF THE KUMIAI SYSTEM.—Though it was regulated that tradesmen could not engage in their trade unless they joined their respective guilds, yet there was no qualification for membership; in other words, anyone could join a guild and engage in a trade if he applied to a guild and abide by its rules. No one could prevent any man from joining a guild if he wanted to. Such were the regulations governing the Kumiai system in those days, but the tradesmen and merchants were not at all satisfied. What they expected from the official recognition of their respective Kumiai or guilds was that they could protect their own interests against the encroachment of others, and at the same time expand their interests, if possible. They interpreted, therefore, the meaning of the Shogunate's regulations on the Kumiai system in a way favourable to themselves, and with this in mind they paid the Shogunate a tax, and the Shogunate in return limited the number of members. Consequently the rights of each member of a guild assumed the form of a Kabu and had a value in the market, because they were special privileges of an exclusive character which no one else could get, unless he joined the guild, while the membership of the guild was limited, and no one could join it unless there was a vacancy. To sum up, the rights of a member of a guild were made an object of transaction in the market, like the shares in a limited company, and at the same time a line of trade was monopolized by limited groups of tradesmen or merchants forming their own guild. Many evils were the natural result, and it was to abolish these evils that in his reform of Tempo Lord Mizuno wanted to do away with the guilds, and in the 13th year of Tempo the Shogunate announced the discontinuation of all the Kumiai or Kabu systems then in existence, monopolizing different lines of trade or business, and set them all free, so that anyone could engage himself in business freely as he liked. This reform was not effective in adjusting the prices of commodities, though that was its main object, but, on the contrary, the destruction of the existing system produced a commercial chaos from which the people suffered just the same. In the 6th year of Kayei, 1853, therefore, the Shogunate revived the Tonya and the Kumiai in commerce in the same exclusive character as in the era of Bunka, and naturally the Kumiai systems among the manual workers, too, were revived.

The following is a list of tradesmen's guilds as classified according to their localities :—

IN EDO.

1. The eleven unions of the dyers	1721
2. The Masons' Kumiai	1781–88
3. The Cabinet-makers' Kumiai	1793
4. The Coopers' Kumiai	1793
5. The Casters' Kumiai	1796
6. The twelve dye-stuff merchants applied for a permit for the adoption of a tonya system among them	1796
7. The twenty-one unions of the carpenters in Edo	1858

IN THE CITY OF KYOTO.

The ten unions of the Toryo (leading) carpenters in Kyoto, and the carpenters' and the sawyers' unions in the five districts around the city of Kyoto. It is stated that these unions were formed in the era of Kwanyei.

IN THE CITY OF OSAKA.

1. The Sawyers' Kumiai	before 1756
2. The Kumiai of the carpenters in Osaka and three neighbouring districts	1760
3. The sail-cloth makers adopted a Nakama system among themselves	1848

IN THE CITY OF SAKAI.

The smiths making knives for the cutting of the tobacco leaves adopted a Nakama system among themselves	1730

THE CABINET-MAKERS' KUMIAI.—The Cabinet-makers' Kumiai in Edo was formed in 1793, later than any of those above-mentioned. The application presented to the Shogunate for the formation of the Kumiai gives as one reason that since the cabinet-makers had not been controlled by any organization, and had no regulations binding them, they often raised the prices of their products outrageously in the case of a big fire or when the Government had to make a large purchase. But their principle and true reason was to restrain their apprentice boys, who, as soon as they had learned their trade, left or ran away from their masters and started business on their own account. The applicants wanted a Kumiai system with limited membership, so that others could not engage in the trade without the consent of the Kumiai.

THE KUMIAI OF THE MAKERS OF WOODEN BOWLS, CUPS, BOXES, AND TURNED GOODS.—The turners in Edo had adopted a Kumiai system among themselves in 1832, when they applied for permission to amalgamate with the Kumiai of the makers of bowls, cups, and boxes for the more effective control of the trade. The application was granted, and the new Kumiai was called that of the Maker of Bowls, Cups, and Boxes, and the Turners. The regulations of this Kumiai were typical and are therefore given in full :—

REGULATIONS OF THE NAKAMA ASSOCIATION OF THE MAKERS OF BOWLS, CUPS, AND BOXES, AND THE TURNERS.

The turners had had a Nakama system among themselves for many years, but for better control of their affairs they planned amalgamation with the Kumiai association of the makers of bowls, cups, and boxes, and recently petitioned the Shogunate accordingly. The application was granted and permission given, and the new association is called the Nakama Association of the Makers of Bowls, Cups, and Boxes, and the Turners. In order to express their thanks to the Shogunate for the licence given, the members of the new association, twenty-seven in all, proposed to pay to the Shogunate 162 momme a year each, and their proposition has been accepted. The contribution will be presented to the Shogunate each year by the Gyoji, or Directors, of the association for the year.

Out of the twenty-seven members of the Kumiai, two will be named each year Gyoji, or Directors, of the Kumiai for the year, and will look after the affairs of the Kumiai during the year, and at the end of the year these two directors shall without fail surrender their offices to two other members, who will take their places for the next year, and so on. In other words, two of the twenty-seven members will hold the office for one year in turn, and as long as he holds the office of a Gyoji, the said member will always stay in the city and will not go to another district for any long stay. If circumstances compel a Gyoji to go to stay in any other district, he shall consult with his colleague and obtain the consent of all the other members before he leaves. Even while Gyoji a member of the Kumiai shall not act as if he were superior to the other members of the Kumiai, nor shall he do anything for a selfish purpose. A Gyoji shall not attempt to enforce his own will in the affairs of the Kumiai, but shall manage the same in accordance with the precedents, and he shall also always take proper care to maintain harmony among the members, nor shall he favour any particular member of the Kumiai, but adopt the same impartial attitude towards all. Whatever instructions are issued by the Gyoji of the Kumiai shall be faithfully and strictly observed by each member of the association, etc.

When anyone wants to join the Kumiai, he shall apply to the Gyoji, who then will report it to the members of the Kumiai in a circular, in order to ascertain whether they have any objection to the applicant joining the association. When it is ascertained that the application is approved by the members of the Kumiai, it shall be reported to the local government office as well as the association of the sub-associations or Kumiai, where the name of the applicant shall be registered in the book. Thus he will be admitted into the Kumiai and be qualified to start his trade without anyone objecting or interfering. One who so joins the Kumiai shall not be requested to pay anything more than his dues to the Kumiai, which are fixed by the regulations.

If any apprentice boy leaves his master without completing his indentures it shall be reported to the Gyoji of the Kumiai at once, and the Gyoji shall inform the members by a circular. No member of the Kumiai shall employ anyone so reported publicly by the Gyoji of the Kumiai, either permanently or on day work, or in any way. Even though it is not so reported by the Gyoji officially, yet if anyone who asks for employment is found to have had training in the trade, the member of the Kumiai who wants to employ him shall make due inquiries into his personal history and report to the Gyoji, who shall report it to the other members of the Kumiai, asking them whether they have any objection to the man being employed. If the other members of the Kumiai make no objection to the man being employed, the member shall proceed to take the necessary steps to engage him. The said member shall not employ such a man before the Gyoji has taken the steps indicated above, and until it is ascertained that no objection is raised against his employing the man.

Proviso.—If any apprentice boy leaves his master without having paid off his debts to him, the matter shall be reported to the Gyoji of the Kumiai, and the latter shall inform all the members of the Kumiai. No member of the Kumiai shall employ in any way a man so officially reported by the Gyoji.

Some members of the Kumiai, on account of their own shops or plants being too small, often get a part of their work done at another's shop or plant, yet do not pay their proper taxes and dues in conformity with their output, on the pretext that these other shops or plants where a part of their work is done are not their own property. If the members of the Kumiai evade their taxes and dues in that way, the Kumiai will suffer it. In the future, therefore, no member of the Kumiai shall get his work done in any other shop or plant than his own under whatever conditions.

The turners shall observe the annual festival of the shrine of the God of water regularly on the 7th of April each year, when each of them shall pay 2 momme in silver towards the expense of the entertainments and 1 momme 5 by for miscellaneous expenses.

The above share of expenses shall be paid by each member according to the rates stated, no matter whether he attends the festival or not.

On the occasion of the entertainments to be held in connection with the festival a member of the Kumiai shall not send as his representative any other person than a member of his own family.

It is agreed that no presents shall be exchanged among the members of the Kumiai on such auspicious occasions as the adoption of a son or daughter, a wedding, a boy arriving at age, etc., or unfortunate events of a similar importance.

It is agreed that each member of the Kumiai shall abide by every one of the above-mentioned clauses, and shall endeavour to work in his business honestly and faithfully. He shall pay faithfully and regularly not only his share of state tax, but his dues to the Kumiai and also his share of contributions to the Kumiai, when such are collected to cover extra expenses. If any member of the Kumiai fails to pay any of these taxes, dues, or contributions, he offends against the regulations of the Kumiai, and if he neglect to observe any other clause of the regulations, the matter shall be reported by the Gyoji of the Kumiai to the local government office at once, with a request that proper steps be taken to stop his business or deprive him of his privilege of engaging in the trade. As all this is clear to every member of the Kumiai, he cannot blame any other than himself, if by so acting he is so treated by the Kumiai in the future. The members of the Kumiai, without exception, have put their signatures to these papers and pledged themselves to the faithful observance of every clause of the regulations.

(Signed) SAKAI-YA SAKUBEI, YAMATO-YA JIHEI, and twenty-five others, representing the members of the Turners' Nakama.

November, the 3rd year of Tempo.

THE CARPENTERS' KUMIAI.—The Carpenters' Kumiai in the city of Edo were originally twenty-one in number. On the 28th of March, 1856, the Governor of the northern districts of the metropolis called a meeting of the leading carpenters, when he appointed the directors of the Kumiai, and at the same time he notified them that thereafter they would be permitted to monopolize their business among themselves by dint of the regulations of their Kumiai alone. It appears that the Government so interfered with their doings, because the Kumiai carpenters obstructed the business of all who did not belong to their Kumiai, and thus monopolized the carpenters' trade. In 1858, however, Seigoro, on behalf of a certain Kichibei, and three others, representing the 15th Kumiai, one of the twenty-one, presented a petition to the Shogunate begging them to control the carpenters in the city more strictly, so that the carpenters might abide by the ruling regulations more faithfully. In this document they pointed out that there were many carpenters in the city, especially in the outer ring, working for cheaper wages, without any regard to the rules obtaining among the carpenters in the city, and that some of these men were sending in prepared material for sale in the capital. In spite of frequent objections from the Gyoji of the Kumiai they would not conform with the rules and customs of the carpenters in the capital. In a word, the control of the carpenters in the capital was not effective. This is the document :—

> Seigoro, on behalf of Kichibei, and three others, representing the 15th Kumiai, one of the twenty-one Kumiai of the carpenters in the city, respectfully beg to appeal to the Government in regard to the control of the carpenters doing business in the capital, in the hope that their doings may be controlled more strictly by the Government. On the 28th of March, the 3rd year of Ansei (1856), the leading carpenters in the city were called to the office of the Governor of Edo, when Gyoji were appointed to look after the affairs of the Carpenters' Nakama, for which we are grateful. At the same time we were notified by the Government that thereafter we should not ourselves decide everything concerning carpenters' business, and we pledged ourselves to abide by Government's orders, and presented to the Government a signed letter to that effect. But there are so many carpenters in th city that it is very difficult to control them properly, and in spite of the strenuous efforts of the Gyoji, the work cannot be done effectively. For instance, many carpenters have moved to the capital from outside districts, and it is not ascertained where these men are at work in the city, while they do not observe the rules and customs obtaining among the native carpenters of the capital, and often work for unreasonably cheap wages. By so doing these immigrants interfere with the business of the native carpenters, and yet no proper steps are taken to investigate the matter. There are also many other carpenters in the outside districts who do not come to work in the capital, but prepare their material in their respective districts and send it up for sale in the capital. They, too, cannot be properly controlled, and the actions of these men seriously affect the business of the members. When the Gyoji of the Kumiai takes the matter up with these carpenters, they go back to their own districts in some cases without regard to the regulations among the native carpenters in the capital by which they should have been bound in their business in the city. So unsatisfactory is the control of the carpenters in the capital that those who stick to the regulations of the Kumiai are suffering from the result. Not only the members of the Kumiai, but those working under them, too, suffer from such a situation. If this state of things be permitted to continue, the condition will become worse, and the Shogunate will have to take a severe course against the carpenters. Such being the case, the undersigned at a conference with the other representative carpenters arrived at a decision, according to which they herewith appeal to the Shogunate to exercise careful thorough control of every carpenter in the capital, so that all may faithfully observe the regulations. The undersigned sincerely hope the Shogunate will grant the petition and take proper steps to see that the control is carried out.
>
> (Signed) SEIGORO, of Kichibei's firm at Shinhome
> Kojima, and three others, representing the
> 15th Carpenters' Kumiai.
>
> *May 31st, the 5th year of Ansei* (1858).
>
> TO THE OFFICE OF THE GOVERNOR OF EDO.

This document shows clearly that the carpenters belonging to the Kumiai were outrageously selfish in their attempts to monopolize the business, and spared no effort to drive out of business or persecute carpenters who did not join their Kumiai. The Carpenters' Kumiai attempted not only to control the carpenters in the capital, but those who prepared materials in some outside districts and sent them into the capital for use in building. This idea was the same as that of the merchants in Niigata or any other city who tried to prevent merchants in another city or town from selling their goods in these cities except through the agency of the native merchants. Even in our own time the carpenters and thatchers (now five men) have still a peculiar system in which each group of them has a sphere of influence, where the said group holds a monopoly. No doubt the condition is a continuation of the exclusive Kumiai system which formerly prevailed.

The Plasterers' Kumiai.—The plasterers in Edo in those days were under the control of their leaders, who, residing in thirteen different districts in the city, looked after the affairs of their fellow-tradesmen in their respective spheres. They had binding regulations, and agreed upon the rates of wages among themselves. The orders, notifications, etc., received from the Shogunate were well observed. At the time of the big earthquake and the subsequent conflagration in the city of Edo in the era of Ansei (1854–60) there was a very big demand for plasterers, and they planned a conference to discuss the rates of wages and other matters, but so many failed to turn out that the conference could not be held, and they could not arrive at any agreement in regard to the rates of wages at that time. It was a custom then among the plasterers that whenever any of them built a godown of his own, many men employed by other plasterers would come to work on the building without being asked and would demand pay for their work. If the man refused to pay them, there was often a quarrel or trouble of some kind. The leaders of the plasterers wanted to abolish this evil and do their business honestly, abiding by the Shogunate's laws and regulations concerning their trade, and three of them, on behalf of the plasterers residing and engaged in business in the aforesaid thirteen districts in Edo, presented a petition to the Shogunate in December 1855, which reads as follows :—

> The undersigned three, representing all the plasterers residing and doing business in thirteen different districts in Edo, respectfully appeal to the Shogunate as follows : Of the men engaged in the trade of plastering in the city, those living and doing business in thirteen different districts in the city were under the control of their leading men. They had a sort of a Nakama system, and the regulations binding them, and the orders, notifications, etc., from the Government were distributed among them quickly through their proper organs and punctually observed. After a conflagration, and on similar

occasions, the plasterers, according to an agreement among themselves, have not hitherto attempted to raise the rates of their wages, etc. The control of the plasterers in the city has been very thorough, until the recent earthquake and conflagration, which have broken the cord of agreement among them. Immediately after the said earthquake and conflagration the demand for plasterers was excessive, and naturally the rates have been raised by individual plasterers without regard to their agreement, which was compiled in accordance with the Shogunate's orders. In order to prevent these evil practices a conference of the plasterers was called to discuss the matter, but it failed, as many failed to attend. Many individual plasterers are thus demanding wages which are higher than those agreed upon according to the Government's orders; and consequently, plasterers doing business honestly and asking only for rates fixed by agreement in accordance with the Shogunate's orders have difficulties in getting their working hands. There is also a bad custom that whenever a plasterer builds a godown of his own, and the first plaster is being put on, many working hands belonging to other plasterers turn up without being asked and demand some present or reward for their presence. If their request be refused they often begin a dispute, or cause some other form of trouble. Many people have suffered and are suffering from this foolish custom, as well as other evil practices prevailing. The plasterers sincerely wish to call a conference of their own, at which to arrive at an agreement, under which all these evil practices may be abolished and business transacted honestly and faithfully, but the trouble is that even if such a conference is called, many do not care to attend. The Shogunate is, therefore, respectfully asked to issue instructions to all the plasterers residing in the thirteen different districts in Edo to attend the said conference to discuss affairs among themselves, so that we may all practise our trade honestly and have no fear of violators of the rules. If so, the plasterers will be not only pleased with the situation that will be so created, but they will be able to serve their customers as well as the Shogunate more satisfactorily, etc.

(Signed) PETITIONER KIMPACHI, living in a house owned by Jiyemon at Itchome, Sanjikken-bori (Landlord Jiyemon).
PETITIONER GENZA, living in a house owned by Yasubei, at Urakashi, Sumiyochi-cho (Landlord Yasubei).
PETITIONER TAHEI, living in a house owned by Niyemon, in the reclaimed grounds at Yagembori (Landlord Niyemon).

December 1st, the 2nd year of Ansei.

When one reads the above letter of appeal, it appears that plasterers who did not belong to the Kumiai were entirely to blame. But that was not the case. The evils of the workmen's Kumiais were far more serious. In the first place they limited the number of members of their Kumiais, which, fixed by the decrees of the Shogunate, could not be easily increased. Then the members of the Kumiai, who were mostly leading workers in each line of traders, preferred to employ apprentice boys, who would be obedient and work for a cheaper rate of wages, rather than full-fledged men, who would be more independent and demand a higher rate of wages than the apprentices. There were indeed many full-fledged workmen who had completed apprenticeship but could not get into the Kumiai. They were not welcomed by the leading workmen because they demanded a higher rate of wages than the apprentice boys. The petition is really a proof of how these independent workmen who had not been admitted into the privileged class struggled for freedom to work against the exclusive, monopolizing system of the Kumiai and the despotic doings of its members, who were already partly in the position of capitalists.

From the period of the Nara Dynasty till the beginning of Heian Japan was in what may be called a slave economic period and when the slaves, both household and otherwise, were obliged to work in the fields of industry by the power of state law, tradition, and manual strength. Our own time is what may be called the wage economic period, in which labourers work for wages move freely and select their lines of trade freely; in other words, the workmen have freedom in their business. Now, the Tokugawa period was between the two, and in this transition period the labour system was a combination of the Za system, continuing from the slave economic period, and the Oyakata system, which may be called the forerunner of the wage economic period. Oyakata means a boss or master, and the Oyakata labourer is one who keeps a number of workmen working for wages under his control.

THE WORKMEN'S KUMIAI IN KYOTO.—Among the materials for the history of the workmen's Kumiai in Kyoto, the most valuable and important is the book called *Kyoto Oyakusho Nuki Taigai Oboigaki*, or *General Memoirs of the Affairs of the Government in Kyoto*. According to the said book, in the early days there were ten Toryos, or chief carpenters, called Benkei, Ikegami, Yanokura, Hiramatsu, Kanno, Koyama, Ogino, Yanagita, Tanbe, and Kino. The carpenters in the city of Kyoto and the neighbouring districts were divided into ten Kumi or groups, and each group was controlled by one of the said ten Toryos. Except for three of the ten, Benkei, Ikegami, and Yanokura, the others met with misfortune and lost their power as Toryo. Later, in the name of the ten Toryos an order was issued to the ten groups of carpenters that each group should have one chief, selected from among the members, who was called the Kumi Gashira, or head of a group, and looked after the affairs of his group, like a Kimoiri of a Kumiai. Time passed and another ten groups of carpenters grew up in Kyoto, though the exact date is not known for the beginning of them, and they, too, adopted a Kumiai system. Each group was formed by the carpenters who had common interests either in their relations to one or other temple or on account of their being engaged in the same specialities. These ten groups existed side by side with the other ten, and so there were twenty groups in Kyoto. Such was the condition of the Kyoto carpenters from the latter part of the Ashikaga till the early part of the Tokugawa period. The number of the carpenters in five districts around the city of Kyoto and the district of Omi, was :—

2,353 in the province of Yamashiro
1,327 in the province of Yamato
470 in the province of Kawachi
578 in the province of Izumi
1,762 in the province of Settsu
770 in the province of Omi

7,260

Of these 7,260 carpenters, 1,762 belonged to the privileged class of workmen, who were exempted from paying taxes to the Shogunate, and whose rights were of an exclusive character which had a saleable value. The remaining 5,498 had no privileges, and no doubt they formed the Kumiai among themselves in several different places, each group having a Kimoiri at its head, thus protecting their own interests against the others. Among the sawyers there were four chiefs, three living in Kyoto and one in Omi. These four were called the Kobiki Gashira, or chief sawyers, while under them were forty-six Toryos, who lived in Kyoto Izumi, Horyuji, and some other places. The number of the sawyers in the six districts was :—

1,008 in the province of Yamashiro
148 in the province of Kawachi
2,053 in the province of Settsu
235 in the province of Yamato
162 in the province of Izumi
2,750 in the province of Omi

6,356

Of the above total, 241 belonged to the privileged class called Koyaku Gomen, and were free from state tax. This special class of sawyers owed their privileges, which became hereditary, to the fact that they once served in the construction and repair of the Imperial Palace buildings. The rest of the sawyers, 6,115 in all, did not enjoy such privileges from the Shogunate. What the inner system of the Kumiai, formed by those carpenters and sawyers, was cannot be ascertained, but in later years the organizations were under the control of Nakai Okajiro, the chief of the carpenters in Kyoto, for in the book *Banurei Bassha*, or *Selection from the Decrees and*

Regulations issued by the Tokugawa Shogunate, it is stated that Nakai Okajiro was controlling the carpenters and sawyers in the Gokinai (five districts) and Omi, etc. The same book also states that in such places as Kyoto, Osaka, Fushimi, Nara, Sakai, Otsu, and other cities and towns, the carpenters and sawyers formed their Kumiai according to their localities or the class of their work, and each Kumiai was careful not to encroach on another Kumiai's sphere of influence. It was even stated that if any member of one Kumiai worked in the sphere of influence of another Kumiai, he would report it to the latter at once, and pay a due commission on his work, etc. From the above it appears that the carpenters and sawyers in these cities and towns adopted a Kumiai system among themselves and no Kumiai encroached on the district of another, and if it had to do so, it notified the latter and paid commission. These carpenters and sawyers all received a licence from Nakai Okajiro, who controlled them, and to whom the carpenters and sawyers in the city of Kyoto and its neighbouring districts paid their dues, either in labour or money, regularly. Such was the condition of the workmen's Kumiai or guilds in Kyoto from the latter part of the Ashikaga period till the middle part of the Tokugawa period, or until Mizuno Tadakuni abolished the Kumiai system in 1843. The Kumiai of the carpenters and sawyers in Kyoto were no exception to the rule, they were all disbanded, the restrictions and limitations were abolished, and the trades were thrown open free to everybody. In spite of the reforms, Nakai Okajiro, of Kyoto, still continued as a matter of fact to control the workmen as before, and several leading men, on his behalf, kept a record of the movements of the workmen under his control, and he continued to issue licences to them. But as their Kumiai did not exist any more the workmen were free to move wherever they liked, and naturally they moved from other districts into Kyoto and its neighbouring districts, where they engaged in business without any objection. Nevertheless the new-comers in these six districts, when starting the business of carpenters and sawyers, had first to apply to the Shogunate's representative in the case of the Shogunate direct territory, or the feudal lord in the case of a fief, or other local authorities, as the case might be, for a permit. The authorities forwarded their applications to Nakai Okajiro, of Kyoto, who thereupon issued licences which would entitle the applicants to engage in business. Therefore practically there was very little change in the system.

THE WORKMEN'S KUMIAI IN OSAKA.—The carpenters and sawyers in Osaka formed Kumiai among themselves from the early days. The carpenters were under the control of Nakai Mondo and Yamamura Yosuke, a Government carpenter, while the sawyers were under that of Nakai Mondo. The workmen all received licences from their controllers, the licensed carpenters being called the Yaku Daiku and the licensed sawyers the Yaku Kobiki. But from the middle of the Tokugawa period there appeared many carpenters of different kinds, such as the shipwrights, cabinet-makers, and others, who worked in Osaka and its neighbouring districts without any licence at all, and these men naturally encroached upon the interests of the licensed carpenters, for whose protection the Shogunate issued decrees four times, the first in 1760, the second in 1775, the third in 1779, and the fourth in 1810, each prohibiting the unlicensed carpenters from working in Osaka and the neighbouring districts. The people were forbidden to employ any of the unlicensed carpenters or sawyers, and all carpenters who did not belong to the Kumiai were forbidden to carry on their business in these districts. When it was discovered that some timber dealers employed the unlicensed carpenters, or some shipwrights, and did sawyers' work themselves, at the request of Nakai Mondo the Shogunate prohibited it by decrees issued in 1759, 1795, 1800, respectively. In later years it came to light that not only the shipwrights but some other carpenters, too, were doing sawyers' work themselves, which the Shogunate prohibited by a decree in 1807. Then some ordinary people bagan to work as sawyers, and the Shogunate forbade it by a decree issued in 1799.

THE WORKMEN'S KUMIAI IN SAKAI.—In the city of Sakai, in the province of Izumi, there existed well-organized guilds of workmen in those days. One of them was the Kumiai of the smiths engaged in the making of tobacco-knives. In 1761 this association adopted the following regulations :—

> In April, the 15th year of Kyoho, the Shogunate permitted the sale of all the knives made by the members of the Kumiai under the trade-mark "Sakai Kiwame," and the Kumiai shall pay the Shogunate 30 ryo a year as a tax in return. It has been agreed that each member of the Kumiai shall pay to the Kumiai 3 rin for every knife that he may turn out for this purpose.
>
> The members of the Kumiai shall faithfully observe every part of the regulations of the Kumiai, which are recognized by the Shogunate.
>
> The knives to be made shall be at largest 4 sun 5 bu long and 3 sun 7 bu wide, medium 4 sun 4 bu long and 3 sun 3 bu wide, and smallest 4 sun 4 bu long and 2 sun 8 bu wide.
>
> It is agreed that all the knives to be sold under the said officially recognized trade-mark shall be of one of these three sizes, and that on those knives whose maker is not recognized the trade-mark should not be engraved.
>
> Admittance into the Kumiai or into the group of members specially connected with the officially recognized trade-mark, or the transfer of membership, shall be made with the approval of the members of the Kumiai. When a transfer is recognized by the members, it shall be notified to the town office, and then to the authorities of the Government in charge.

No member of the Kumiai shall have more than one extra private trade-mark, but if any member wants to have a new trade-mark in the place of one of his two private trade-marks, he shall apply to the Kumiai for recognition thereof, and if the members of the Kumiai have no objection, he can use it.

Days decided by the Kumiai as holidays shall be strictly observed, and the members shall not work at the making of knives on any of these days.

It is agreed that the members of the Kumiai shall not employ any unskilled man from a general smith's shop.

When any smith day-worker is to be employed, his prospective employer shall have a full understanding with the man's former employer first; then the matter shall be reported to the members of the Kumiai, and if all those concerned have no objection to his being employed, the man can be employed, the term of employment to be decided upon between the employer and the employee. It is agreed that the working hands shall not be employed even for a day, without the above processes being gone through.

It is agreed that if any member of the Kumiai does not attend a meeting of the Kumiai, he shall not object to any of the decisions reached at the meeting. Each member shall try to attend any business meeting of the Kumiai, when it is held, even putting aside his personal business.

Night work shall be limited, namely no shop shall make more than 21 of the largest size of knife, 27 of the middle size, and 30 of the smallest in one night. The above limitation shall be strictly observed at each shop, and if any more than the above limited quantity be turned out at one shop in one night, the excess quantity shall be regarded as day products.

If any member of the Kumiai is run into great expense, he shall consult frankly with the other members of the Kumiai about it; and if he likes to dispose of some possession of his, the other members shall buy the same in order to help him.

If any member of the Kumiai is in difficulty in his business, he shall report it to the officials of the Kumiai, who then shall consult with the other members of the Kumiai about it.

The knife smiths used to reside and do business in the five streets, Oyacho, Nishiki-cho,Daiyo-cho,Zenkyod-cho Nichome, and Nakahama-cho, but recently some of them have begun doing business in other streets. But it is agreed that in the future all the knife smiths shall reside and do business in these five streets only, but not in any other street, without regard to the old establishments or newly started ones. It is also agreed that no smith shops shall be established in any other streets.

(Signed) OKAMOTO SAZAYEMON and twenty-nine others.

July, the 11th year of Horeki (1761).

It appears, then, that these tobacco-knife makers in the city of Sakai had their Kumiai already in the era of Kyoho (1716–35). At first each smith sent his products into the market under his own trade-mark only, but beginning with 1730 the Shogunate permitted each member of the Kumiai in Sakai to stamp the knives with the officially recognized trade-mark "Sakai Kiwame" in addition to the private trade-mark, and in return for the grant of the patented trade-mark the Kumiai paid to the Shogunate the amount of 30 ryo a year as a tax, and it was agreed among the members of the Kumiai that each member should pay the Kumiai 3 rin for every knife produced to go towards the tax. That every product of each member of the Kumiai bore the officially recognized trade-mark of the Kumiai as well as the private one of the maker himself was for a twofold object—to signify the exclusive monopoly of the trade by the Kumiai, and to maintain the superior quality of products under the control of the Kumiai. In this point the Kumiai resembled the guild systems which prevailed in England and other Western countries. Their Kumiai was the best organized of any in those days, and their regulations were minutely drawn up. The qualifications of the members being so strictly regulated, the right of membership of the Kumiai became a sort of Kabu and was an object of transactions in the market, for the rights of members specially connected with the officially recognized trade officials of the Kumiai had, it appears, special value.

Of course, from the Middle Ages Sakai had greatly developed as a free port and had been in touch with foreign countries, and it is not surprising that there was in that city in such early time as Kyoho a trade-union system, which could be well compared in every respect with the guild system of the European countries in those days.

THE WORKMEN'S GUILD IN NAGOYA.—Of the workmen's guilds in the city of Nagoya the most prominent was the cabinet-makers of twenty-nine different kinds of articles, such as the makers of the miniature Shinto shrines—small Shinto shrines generally made of stone—family Buddhist shrines, light stands—such as candlesticks—for use in garden lanterns, plain wooden dry-measures, chests of drawers, long chests and the Hasamibako lacquered boxes carried on poles, frames for the folding-screens, cupboards, frames for the Kotatsu warmers, and sinks, frames of tablets, signboards, tables, towers with an equipment for drawing up water out of a well, tablets on which were drawn representations of horses mostly used for offering at the shrines, money-boxes generally for use in shrines or temples, carved articles, groundwork for the articles with cloth finish or covered with cloth, joinery work, fancy work, palanquins, furniture, and so on. But of these twenty-nine different lines of cabinet-making business connected with the Kumiai the principal three were the joiners, the makers of palanquins and other vehicles, and the makers of furniture, utensils, etc.—their number being limited. As their Kumiai were recognized by their feudal lords, these workmen in return offered him their labour services. It was agreed among them that workmen residing in Nagoya, Gifu, and Tsushima should offer six days' labour a year each to their feudal lord, those residing in other towns and villages three days' service a year, and those residing in the district of Mino one day and a half a year. If any of these workmen could not perform his appointed labour service, it was further agreed he should pay a certain amount of money instead. If employed in any official works of their clan, over and above their tax service, the workmen were paid 1 momme of silver, and also an allowance of 1 sho 5 go of rice a day. Workmen of the same line who did not possess a licence from the Kumiai naturally were not permitted to engage in this line of business in the Kumiai sphere of influence. If any workman coming from other districts happened to engage in any of the above-stated lines of business in Nagoya, or its neighbouring towns or villages, or in any part of the sphere of influence of the said Kumiai, and was found out, he had to pay 1 bu in gold to the Kumiai. A joiner or maker of vehicles connected with the Kumiai was permitted to keep two branch shops, but no more. He had to apply to the Kumiai for a permit for the establishment of such branch shops, and had to give, as a tax, twelve days' labour service to the feudal lord. If a carpenter applied for a licence to do joinery work, the application was subjected to an examination by the Kumiai, and his master was also consulted on the matter. If any joiner or man under his control changed his occupation of his own accord, any business of the kind was closed to him. The number of the makers of furniture, utensils, etc., being limited, no new establishment was permitted. The members of the Kumiai were not permitted to take any apprentice except from the territory of the Lord of Owari, and when an apprentice was employed his master had to apply to the Kumiai for a licence, which, however, did not call for any dues either in labour or money. When a man completed his period of apprenticeship, and wanted to start business on his own account, he had to get a full licence from the Kumiai and pay a proper tax to the feudal lord in labour.

THE WORKMEN'S GUILD IN HAKATA.—In the port of Hakata in Kyushu, the weavers had their Kumiai in the 18th century. Lord Kuroda, of Hakata, prepared the regulations for them, which were faithfully observed by the members, who were limited to twelve in all, and paid Lord Kuroda 350 momme of silver a year in return for his recognition of their exclusive rights of trade. In 1805 the amount of tax was increased to 500 momme of silver. If any member discontinued his business, his share of the said tax was paid by the other members of the Kumiai. It was also regulated that if any person started business on his own account along these lines without any recognition of the Kumiai, he would be arrested at once and handed over to the Mayor of the city, who, in association with the leaders of the Kumiai, would give him trial and punish him according to the circumstances. Such was the protection that Lord Kuroda accorded to the weavers in the port of Hakata in those days, and the textile fabric business in Fukuoka prospered accordingly, but was exclusively monopolized by the twelve houses connected with the Kumiai, no other person being permitted to engage in the line. Naturally the rights of a member of the Kumiai assumed the character of a Kabu, and had value in the market. Of course, the aim of Lord Kuroda in protecting the interests of these weavers was partly to prevent them turning out products of a coarse nature and partly to develop the local industry under a protective policy. But the number of the members of the Kumiai being limited, if anyone desired to start in the business he had but to get, or purchase, the rights of membership from one of the members of the Kumiai, who either did not, or could not, continue his business. These rights could not be bought and sold openly in the market, and the transfer was done in various ways, such as the adoption of a son, the retirement of the master of an established house, etc., as can be seen from the documents quoted below :—

A DEED ON THE TRANSFER OF A FIRM NAME (THE HISTORY OF THE TEXTILE FABRIC INDUSTRY IN HAKATA).

After consultation with my family and the other members of the Kumiai, I have agreed to retire from business, and transfer to you the name of my firm with all the rights and privileges that my firm has enjoyed for generations in the Hakata textile fabric trade, and have applied to the Government for a permit for the transfer, so that you, with the Government's recognition, may enjoy the same trade rights and privileges as well as the Government's rice allowance in the future as my firm has enjoyed them in the past. My application has been accepted, and the permit asked for has been given. Therefore, as per our mutual agreement already previously entered into, you paid me in cash 150 ryo of gold for the machines, etc., and 150 ryo of gold for the privilege of the Government's allowance, etc., transferred to you. I hereby wish to duly acknowledge receipt of the above sums.

Though, in my letter of application to the Government, I stated that I have adopted you into my family as a son, that is merely a pretext given when applying for a permit of the transfer of the trade name and rights of my firm to you, and it does not mean that we are in the relation of a father and his adopted son at all. I have sold you the trade name and rights of my firm, but not my house or any other personal properties, and you have nothing to do with my debts or any other financial affairs at all. Even though there may be some debts of my firm unsettled, and the creditors may come to you, you need not trouble yourself with the same, but simply tell them that you have nothing to do with them. You will never be troubled by any such affairs. It is agreed that if I propose to buy the name back from you within the coming three years by returning you the 300 ryo, with interest thereon at the rate of 1 bu 4 rin per month for the period from now until the trade rights, etc., are purchased back by me, you will apply to the Government for a permit of the transfer of the rights to me. In that case I agree to pay you in cash, as you have done now, and will ask you for no alteration of the terms, to which neither my relatives nor any others have any objection at all. The deal having been consummated in the way stated I will never ask you for financial assistance, etc., in the future in connection with this deal, for the guarantee of which the deed is signed also by the representatives of my relatives, of the textile fabric men in the street, and others concerned. Be it declared that the above are the terms of the agreement by which the trade rights have been transferred for ever, and which shall never be changed.

(Signed) KISHICHI, a fancy goods merchant.

The go-betweens :

MAGOSHICHI, a smith, representing the residents of Takewaka Ban-cho.
SANYEMON, Toshiyori of the same street.
HEISHIRO, Toshiyori of the same street.
KANZAKI-YA JIUSUKE, representing the seller's relatives.
TAKEWAKA SOYEMON, representing the seller's relatives.
TAKEWAKA CHUBEI, the seller.

December, the 6th year of Kayei (1853).

TO SUMI-YA TADAYEMON.

THE WORKMEN'S GUILD IN NAGAHAMA.—Nagahama, a town in the province of Omi, is famous for silk crape, known under the general name of the Nagahama chirimen (crape). The history of this silk crape industry in Nagahama is rather old, and in the days of the Tokugawa rule the crape-weavers in Nagahama had already adopted a Kumiai system among themselves. The weavers residing and doing business in the town of Nagahama and its neighbouring districts received their licences from the Clan Government, and each of them had been engaged in this line of trade for generations. According to the documents concerning the chirimen weavers, there were thirty-six houses that, with the Clan Government's licences, were engaged in this Nagahama chirimen industry, the industry being exclusively monopolized by these thirty-six houses. When the market for the Nagahama chirimen extended, the makers of and dealers in the Nishijin silk fabric of Kyoto became afraid of it, and about 1750 they appealed to the Government to limit the market for the Nagahama silk crape, so that the Nagahama fabric might not interfere with the market for the Nishijin fabrics. A complicated case followed, and the weavers in Nagahama nominated Rinsuke and Shokuro, of Namba village, their representatives to negotiate with the representatives of the makers of the Nishijin fabrics. Finally, the case was brought to the Shogunate's representative stationed in the city of Kyoto, who decided the matter in favour of the weavers of the Nagahama silk crape. The two representatives were then made the directors of the thirty-six weavers with an official licence from the Government. Regulations were made for the Kumiai, and it was laid down that the two directors should put their stamp on every product turned out by each member of the Kumiai, and that 1 bu of stamp charge be collected per roll of the crape. In 1783 the two men announced to the members of the Kumiai that in the future every licence given by the Clan Government would be countersigned by them, but this was opposed by the members of the Kumiai, who started a movement against it and defeated it. In 1815 the two directors made the same proposition again, which, however, was again opposed by the members of the Kumiai, who concluded that the men had a sinister intention of controlling the affairs of the Kumiai; in other words, they wanted to establish a Za system for the industry. The proposition again failed. Thus the Silk Crape Weavers' Kumiai in Nagahama first fought with the makers of the Nishijin fabrics, who insisted on their old Za system, and attempted to limit the market for the Nagahama silk crape, and won. Then they worsted the two men of Namba village who attempted to place the Weavers' Kumiai under their absolute control by establishing a Za system. These events indicate that the tendency in those days was to increase the rights of ordinary members of a Kumiai against the exclusive control of a trade, as under the Za system, etc.

THE COOPERS' GUILD IN NIIGATA.—According to the regulations of the Coopers' Guild in the city of Niigata, as made in February 1826, they adopted a Nakama system and regulated the prices of the wooden buckets and other products turned out by the members, and agreed that the affairs of the Kumiai should be decided on at a conference of the members of the Kumiai, that if any member violated any part of the regulations, his tools, etc., should be confiscated, and he should be prohibited from engaging in this line of trade for seven years, etc. Of the kabu privileges there were two kinds, one called the principal kabu and the other the apprentice kabu; and an apprentice kabu, after continuing for two generations, became a principal kabu automatically. The holder of a principal kabu was permitted to take two apprentice boys during one generation. When a son of the holder of a principal kabu started business on his own account, he was permitted an apprentice kabu. The period of apprenticeship was fixed at ten years. The members of the Kumiai were not permitted to take any apprentice boys from other places than the city of Niigata. Neither the principal kabu nor the apprentice kabu were permitted to be made security for loans in any way.

THE SAWYERS' GUILD IN NIIGATA.—In 1849 the Sawyers' Guild in Niigata adopted their regulations, which were carefully and minutely compiled. The said regulations lay it down that the members of the

Kumiai should not attempt to take away others' customers by such methods as lowering the rates of wages decided upon by the Kumiai; that if a customer failed to pay his account with a member of the Kumiai, the other members of the Kumiai should not work for that customer; that from every sawyer who came from other districts outside Niigata and worked in the city of Niigata a commission of 5 momme in silver should be collected towards the expenses of the Kumiai; that a member of the Kumiai could take one apprentice boy during one generation, but no more; that every apprentice boy employed should be a mi-deshi, or boy, who would live with his master's family and do personal service to the family in addition to his regular trade work during the period of his apprenticeship, and not a day boy, who would work for his master in trade but would not live with his master; that when a brother or adopted brother of a member, or an apprentice boy, had completed the period of his apprenticeship, and desired to start business on his own account, he should apply to the Kumiai, pay contributions to the officials of the Kumiai, and get his name registered in the membership-book of the Kumiai, and put his signature thereto, etc. The regulations of their Kumiai run as follows :—

REGULATIONS OF THE SAWYERS' GUILD.

It is agreed that the members of the Kumiai shall strictly observe not only the laws of the state, but the regulations of the Kumiai, which have been in force since the early time.

When any sawyer comes from other districts or the outlying villages and works in the city of Niigata, it has been a custom that a commission of 5 momme in silver be collected from him; and in the future the actual expenses necessitated on such an occasion shall be deducted from the amount so collected, and the rest shall go towards the general expenses of the Kumiai.

It is agreed that a member of the Kumiai shall never work for a regular customer of another member of the Kumiai, but if there be any circumstances in which a member of the Kumiai has to work for a regular customer of another member, he shall do so with an understanding with that member.

Any work of sawing for a temple or shrine has been done customarily by the sawyers who are adherents of that temple or shrine, but if a member of the Kumiai is asked to do such work for a temple or shrine by a person who contributes for the work, he shall do it with an understanding with the sawyer adherents of the temple or shrine.

It is agreed that the rates of wages, as fixed by the Kumiai, shall be faithfully observed by every member of the Kumiai, and that no member of the Kumiai shall ever work for any lower rate of wages.

If any customer of a member of the Kumiai fails to pay, the other members of the Kumiai shall not work for such a customer, even though they may be asked to do so.

An apprentice boy has to work under his master for seven years, but not less than that. A member of the Kumiai takes one apprentice boy only during one generation, and the apprentice boy shall be a mi-deshi, living in his master's house and doing personal services as well; no day-boy shall be taken by any member of the Kumiai. An apprentice boy to be employed shall not be older than fifteen years of age.

If a member of the Kumiai adopts a brother into his family, that adopted brother cannot start business on his own account in less than ten years from the time of his adoption; and one older than fifteen years of age cannot be adopted as a brother by a member of the Kumiai. A member of the Kumiai cannot adopt a brother more than once during one generation.

Even though an apprentice boy or adopted brother of a member of the Kumiai, upon the completion of his term of apprenticeship, may establish himself along these lines of trade with the recognition of the Kumiai, yet he shall not take any apprentice himself while his former master lives.

If an apprentice boy or other, upon the completion of the term of apprenticeship, establish himself along these lines of trade, he shall pay his admission fee to the Kumiai, and get his name registered in the membership-book of the Kumiai, and shall attach his signature thereto.

When a member of the Kumiai has adopted a brother, or an apprentice boy, or a son, he shall report it to the offices of the Kumiai each time, and get the name of such an adopted brother, son, or apprentice boy registered in the membership-book of the Kumiai.

Provided, however, in case such an adopted son, brother, or apprentice boy be sent away, report shall be made to the offices of the Kumiai.

If a sawyer from another district is employed by a member of the Kumiai in this city, he shall pay to the Kumiai 5 momme in silver as his due, and he shall act towards his employer in the same attitude as an apprentice boy towards his master. In case such a sawyer from another district is adopted into the family of a member, he need not observe this regulation.

When a meeting of the Kumiai is held, the matters submitted for discussion at the meeting shall be decided upon by those present. Therefore the members of the Kumiai shall try to attend such meeting of the Kumiai.

Provided, however, at the meetings of the Kumiai, both the regular, in the spring and in the autumn, and extraordinary members shall not speak in loud voices, nor be under the influence of alcohol.

It is agreed that the members of the Kumiai shall strictly observe every one of the foregoing rules; and that if any member find himself in a quandary in connection with these regulations which he cannot decide himself, he shall bring the matter to the officials of the Kumiai, and act under their instructions. If any member violates any part of the regulations, he shall be tried by the other members of the Kumiai, and if found guilty shall be prohibited from continuing his trade, and his tools shall be confiscated. The regulations having been so drawn up, the undersigned attach their signatures thereto.

JINGORO } on behalf of 109
KICHISO } other members.

THE ORGANIZATION OF THE KUMIAI SYSTEM IN THE TOKUGAWA PERIOD.—The available materials that we have at our disposal tell us that in the Shogunate's own territories, and the territories owned by feudal lords as Edo, Kyoto, Sakai, Nagoya, Hakata, Nagahama, and Niigata, there were many Kumiai or guilds, formed by workmen engaged in different lines of trade, as aforestated. Let us now look into the inner organization of these Kumiai system in those days, as embodied in the documents we have at our disposal. The Kumiai in those days was, it may be said, an organization composed of the workmen engaged in the same line of trade. This was the case with every workmen's Kumiai. Each member of the Kumiai had his own shop or working-place, where he and his men worked. Each Kumiai had such officials of its own as the director for one month and the director for one year, these officials being elected from among the members of each Kumiai. Each member of the Kumiai was bound to take his share in the tax which his Kumiai paid to the Tokugawa Shogunate or the feudal lords in whose territory his Kumiai existed. These taxes were sometimes paid in manual labour, depending upon the circumstances and lines of trade. The number of members was fixed, and no alteration was permitted for some Kumiai; but with others there was no limitation of the kind. Where the number of members was limited, a man who wanted to start in the trade had to purchase the rights of membership from a member of the Kumiai, or buy them in the form of a kabu in the market, otherwise he could not establish himself. But if a Kumiai had no limitation in regard to its membership, the admittance of a new member was decided upon at a conference of the members of the Kumiai. When a man was admitted into a Kumiai in either way, he had to pay his admission fee to the Kumiai and get his name registered in the membership-book of the Kumiai, and attach his signature thereto, before he was made a member of the Kumiai officially. Some Kumiai reported the name of the new member to the Government, but others did not. The affairs of a Kumiai were decided at a conference of its members, and whatever was there decided or adopted each member of the Kumiai had to observe faithfully, and in case of an offence the offender was prohibited from trading and his tools, etc., confiscated by his Kumiai. Each Kumiai adopted universal prices for the products of its members, and did not permit any of its members to alter the prices for his own convenience. Some Kumiai even limited the quantity of products turned out by each of their members. In the sales of products, each Kumiai prohibited its members from competing with another. That they put limitation on the qualifications of membership and regulated the quantity and price of the products, etc., were effective in the protection of the exclusive monopoly of the trade, also in controlling the quality of the products and keeping them up to a standard. Some Kumiai had a common religious faith, by means of which the members associated particularly closely and helped each other in such unfortunate events as bereavements. On the occasion of the regular meeting of the Kumiai, held in the spring and the autumn, the members would hold their religious gathering as well. They had a sort of mutual relief system, and in the case of funerals and so on the other members would help out. Members of a Kumiai who were workmen worked themselves at their shops in most cases, and had, besides, apprentice boys and other hands employed to assist them in their business.

THE APPRENTICE SYSTEM IN THE TOKUGAWA PERIOD.—In those days industries were practised on a small scale, mostly at the workmen's houses. Nevertheless it was impossible for the workmen to do all their work with their own hands, and they needed assistance; but this demand for assistance could not be met under the Kumiai system of an exclusive character. The apprentice system, therefore, came into existence. The apprentices were students in industrial works, and at the same time the assistant workers of their masters. Under the apprentice system, as then operated, the boys lived with their master's family and were permitted to return home only twice a year, once at New Year and once in the "Bon" season in July, on which occasions they were given new clothes by their master. Except for these two vacations, the boys always stayed in their master's house, and not only assisted him in business but also did personal services to his family. The term of apprenticeship for each boy was usually between seven and ten years, depending upon the lines of trade and regulations of the Kumiai. Though assistant workmen were so needed by the members of the Kumiai in their respective business, yet if they were increased unlimitedly the result would be a constant increase in the number of the workmen engaged in the same line of trade, which would naturally deprive the Kumiai of its privileges of exclusively monopolizing the trade. As it was, each Kumiai limited the number of apprentice boys that a member was permitted to take to one or two during one generation. Such an apprentice boy, after completing his term of apprenticeship, might want to start on his own account and be a regular member of the Kumiai. In that case he had to be recommended and guaranteed by his master to the Kumiai and the application approved by the director. The applicant would then take the necessary steps for his admittance, and his name be registered in the membership-book of the Kumiai, by which he would become a full-fledged member. But membership was limited; a boy, even when out of his apprenticeship, could not become a member or start on his own account unless there was a vacancy, or he had got means to purchase a kabu of the Kumiai. With some Kumiai there was no official limitation on the number of members; and others adopted a kabu system, and one could not join unless one purchased a kabu of the Kumiai. In any case, anyone who joined a Kumiai had to pay a certain amount of admission fee, etc., and however well qualified he might be in his workmanship and other respects, money was essential for entrance. There were many workmen who completed their required terms of apprenticeship successfully but could not join the Kumiai of their lines, either because there were no vacancies in the membership or they had not means to purchase kabus. The number increased constantly, and these workmen formed a class of their own called shokunin, or workmen, as contrasted with the masters, who were the members of the Kumiai, and the apprentice boys. These shokunin were employed by the master-workmen under a wage contract, and were in a special relation to him much as that between the master-workmen and the employed labourers in England, where the latter formed a class over against the master-workmen and their apprentices. These employed labourers were employed and paid by the day and not bound by a long term contract, like apprentice boys. In England, as the term of apprenticeship for a boy was seven years, the law demanded that one who wanted to work as an employed labourer should have a training of seven years along his lines of trade; hence there was no difference between the two in England. The two systems in England and Japan resembled each other in their ultimate outcome but were different in their origin. In England, besides the apprentices, there was from the beginning a class of workmen who were employed for day wages. But just as the apprentice system was strictly enforced in regard to the training of boys, the training of the day-working labourers, too, was regarded as equally important, and the Government demanded that they, too, should be trained for a period of seven years before being qualified for employment. In Japan, at first, there was no such class of workmen as day-workers, and the apprentices were the only assistant labourers the master-workman had. The class of day-workers grew out of apprentices who had completed their term and could not get into a Kumiai. In a word, these men became wage-earners, while the master-workmen became capitalists and employed these wage-earners in their business. It is true that before this class of the trained day-workers came into existence there had been the Za of Day-workers in Edo, and that the members of the said Za were no doubt day-workers, but they were only labourers unskilled in any trade. The shokunin are the first trained day-labourers in Japan, and the present wage-earners developed out of this class of labourers in the time of the Tokugawa rule. Compared with the wage-earners in our own time, however, these shokunin were not free at all, for they were under the control of the Kumiai of their respective lines of trade, and worked for wages only under their former masters, through the Kumiai, but were not permitted to contract with any others outside their respective Kumiai.

The Origin of the Trained Day-workers.—It is not certain when this class of the shokunin or trained day-workers came into existence, but we know that the number of such workmen increased quickly, and they assumed a distinct position as a class among the working classes after Lord Mizuno's political reform in 1842, in which the Shogunate abolished all the Kumiai systems in commerce and industries and set all kinds of trade free to everybody. One might say that the appearance of such a class of men in industrial circles was occasioned by Lord Mizuno's political reform. But in the regulations of the Kumiai in the city of Niigata, compiled in the era of Bunsei, reference is made to such shokunin labourers, and the regulations prohibit the members of the Kumiai from employing any shokunin from other districts, or persons that had no connection with the said Kumiai, except in cases when the members of the Kumiai had their hands all employed and could spare no one. The origin of the shokunin class of labourers may be set, then, at some time in the middle of the Tokugawa period.

The Evils and the Fall of the Workmen's Guild.—The workmen's guilds of the Tokugawa period were useful both to the Government and the workmen themselves. To the Shogunate and the Clan Government the Kumiai were useful in controlling the different kinds of workmen, and collecting taxes or contributions from these workmen. On the part of the workmen themselves, they adopted the Kumiai system for the purpose of protecting their mutual interests, of maintaining the good quality of their products, and preserving the peculiar arts, technical secrets, and so on peculiar to some lines of trade. Besides, the workmen helped each other mutually through their Kumiai. But the greatest of all the benefits that the workmen derived from their Kumiai was the exclusive and profitable monopoly of their respective lines of trade. So much for the strong points of the workmen's guilds. But they had evils, too. The system deprived the ordinary workmen of their freedom of trade: not only that, but the Kumiai, under the protection of the Shogunate and the Clan Government, monopolizing their respective lines of trade, often regulated the prices of their products unreasonably, demanded unreasonable rates of wages for their members or their employees, and often lowered rather than raised the quality of the products. The workmen often did their work carelessly or irresponsibly, and, as a result of their monopoly, they met with no competition or stimulation from the outside, and did not progress in their arts as they would have under the stimulus of rivalry. The Kumiai system rather handicapped the progress of industries. Besides, the free labourers quickly increased under the monopoly system, especially after Lord Mizuno's reform in 1042. It may be said that though the Kumiai system lasted till the end of the Tokugawa period, and it was only after the restoration of Imperial rule in 1868 that the big industrial or trade houses connected with the old Kumiai systems fell and lost their influence, yet these Kumiai had been destined to fall since the time of Lord Mizuno's reform, which abolished all the Kumiai and other monopolizing systems in industries and commerce, and set all the industrial and commercial men perfectly free in their trades. After that reform the shokunin class of men increased, as compared with the master-workmen forming the Kumiai, and the master-workmen became capitalists. In the era of Kayei the Kumiai system was revived in the same old form, but the Kumiai could no longer exercise so strong an influence on their respective lines of industry and trade as before: their regulations were no more so strictly observed by their members as before the reform of Tempo and were often ignored by the workmen. In the meantime the influences of the shokunin class of workmen increased, and in the era of Ansei we are told that when some master-plasterers in Edo contracted for the work on certain godowns, a group of the shokunin plasterers, who were not employed in the work, threatened the master. The number of carpenters coming from other districts to work in the city of Edo also quickly increased, and these men engaged in business on their own account, without any relation to any master-carpenters in the capital, and often brought timber and other materials necessary for their work from their own districts outside the capital. Their actions were a violation of the regulations of the Carpenters' Kumiai in Edo, and the Kumiai appealed to the Government for official interference, but to no purpose, because by that time the regulations of the Kumiai were no more strictly observed, and the Government could not force these immigrant carpenters alone to observe them. Then came the Restoration of Imperial Rule in 1868, with which political reform, known as the Meiji Restoration, the history of Modern Japan begins. With this reform all the old systems gave way, the Kumiai system being no exception to the rule. In conclusion, it may be said that, in the beginning, the Kumiai system did a great deal for the progress of industries and commerce in Japan, but as soon as the system became a monopoly it began interfering, and even handicapped the liberal progress of different lines of industries and commerce. The fall of the system was, therefore, the natural outcome of the circumstances.

CHAPTER LXXVIII

THE DECLINE OF THE TOKUGAWA SHOGUNATE AFTER COMMODORE PERRY'S VISITS TO THESE SHORES

Abe Masahiro, the Prime Minister.—From the latter part of the era of Tempo (1830–43) till the era of Ansei (1854–59) was a most troublous time, when Japan could no longer continue her isolation policy, but had to face many diplomatic difficulties with the foreign countries, and the man at the helm during these eventful years was Abe Masahiro, who was then the Prime Minister of the Shogunate, and at the same time Lord of Fukuyama, in the province of Bingo in the west of Japan. About this statesmen opinions are divided. For some historians Abe appears to be a wise, experienced, and broad-minded statesman, and an ideal minister. Others hold an entirely different opinion and brand him as an opportunist with no far-reaching political ideas or plans. He " hedged," they say, and maintained his position simply by the amiable manner with which he won the confidence of both his superiors and inferiors in the Shogunate. He tried to please the mass of the people in his solution of the questions of the day and did not think much of the future of the country is their verdict. But, in fact, Abe seems to be not so white nor so black as he has been painted. In his foreign policy he was not so obstinate as Lord Mizuno had been, and realized that the foreign countries could not be persuaded to leave Japan in isolation, just because it was the traditional foreign policy of the Tokugawa Shogunate: he knew the international circumstances in which Japan was placed and saw the necessity of building a fleet on the Western model for defence against a possible invasion. One reason why he is accused of flattering his superiors is his attitude towards the ladies of the Shogun's Court, who were difficult to handle. In those days these ladies had much influence in politics, though they were nothing but maids in the Shogun's Court, and were an important factor which could not be ignored by the statesman of the Shogunate. Lord Abe was well aware of this and spared no pains to placate these women in the hope that they might not interfere in politics and everything might go smoothly. Lady Anekoji Iyo, who was a maid to the wife of the Shogun Iyeyoshi, but in fact a concubine of the Shogun, is said to have been in closest touch with Abe, and he often made her very generous presents to keep her in good temper and use her as his political tool in the Shogun's Court. Lord Mizuno had been very economical, not sparing even the palace, and enforcing sumptuary laws on the common people, but Abe followed a different course. He was almost lavish in his expenditure on the Court, and did not interfere with the people in any way. For these reasons he was very popular in the Court and with the officials, as well as with the people at large. But anyone who thinks that all his policies were initiated by Lord Abe is mistaken, for he was only twenty-five when he succeeded to Lord Mizuno, and it is not at all likely that a young noble made the Premier of the Shogunate, without any political experience, would act much on his own initiative, however much he might be endowed with political ability. The truth is that Abe was simply the leader of one of the two political factions in the Tokugawa Shogunate which had grown up in the course of years, and carried out the plans of his faction against the opposition. We must, however, admit his position in the history of the Tokugawa rule and recognize the political ability and courage with which he fought the Mizuno faction in the Shogunate.

LORD TOKUGAWA NARIAKI, OF MITO.—Lord Abe, like Lord Mizuno, advocated at first a very strong policy against the foreign countries, and insisted that the foreign warships, if they came to these shores, should be driven off at once. But after he became minister he had more chances of studying conditions both at home and abroad, and found that the coast defence of Japan was inadequate against a possible invasion of a foreign fleet. Convinced thus that it was not possible for Japan in those days to repulse a foreign fleet, his ideas gradually changed, and like Lord Mizuno he began to advocate rather a moderate foreign policy. On the other hand, Lord Tokugawa Nariaki, of Mito, would not modify his obstinate ideas, and requested Abe to issue a decree at once announcing that any foreign ships that visited Japan and refused to comply with the Government orders and leave Japan in her state of isolation would be driven off by force. It was very difficult for the Shogunate to handle him, for the Lord of Mito, head of one of the direct branches of the Tokugawa family, and more influential than the Owari and Kii branches, had been practically Vice-Shogun since the very beginning of the Tokugawa rule, and been considered the natural Commander-in-Chief in a time of emergency. Nariaki had approached the Imperial Court in Kyoto and made many presents to the leading Court nobles, frequently accompanied by a short verse composed by himself in which he lamented the humiliating position of the Imperial Court. The Court nobles did not quite know what to make of it; some took his protestations at face value and others suspected some motive. Edo viewed it with grave suspicion, for what the founder of the Tokugawa Shogunate had most feared was a possible uprising of a big daimyo under the banner of the Imperial Court, and he had done all he could to hedge off the Court from approach by the feudal lords. This policy had been scrupulously adhered to by every Shogun, and now Nariaki openly expressed his inclination towards the Imperial Court in Kyoto, which made his interference in Shogunate politics looked askance by the officials. His motives were always suspected, and it was even rumoured that he intended to overturn the Shogunate and restore Imperial rule. It is said that when the Shogun's castle caught fire one night a samurai scholar called Shioda Zuisai in Lord Todo's residence at Shitaya noticed the flames and went about awakening the retainers, telling them that the Lord of Mito was probably planning to rebel against the Shogun and had set the castle on fire, and that Lord Todo must be prepared for any emergency. The fire was put out, and the Lord of Mito did not rebel, but still many believed that the flames had been started from Mito. Nariaki himself paid no heed to the attitude of the officials and continued as stiff as ever against foreign intercourse, urging the Shogunate to take a strong course against foreign fleets. On his part he took active measures and melted down several big bronze bells at the Buddhist temples in his territory and cast them into big guns as if for use against invaders. He even broke up stone Buddhas to build military roads and trained his soldiers for an emergency. We must give him credit for his earnestness in preparation against a possible invasion, while realizing that his ideas were foolish and out of date. Before the time of Lord Abe's administration, the envoy from Korea to Japan had not been permitted to come to Japan proper, but was met by the representative of the Japanese Government on the small island of Tsushima lying between Japan and Korea. Lord Abe now proposed to receive the Korean envoy in Osaka. Lord Nariaki objected strongly on the ground that if the Koreans were permitted to visit the interior of Japan, they would certainly fraternize with the English and the French at once, and foreign spies dressed as Koreans might mingle with the suite and obtain valuable strategical information about the coasts of Japan. This attitude makes it clear that the Shogunate need not really have feared him, but they could not get over the fact that he was training soldiers and often returned to his territory to inspect them. In May 1843 he was imprisoned in his residence in Edo, on the ground that, in spite of his position as one of the direct relatives of the Tokugawa family, he was arrogant and attempted to change the established institutions from selfish motives, which would make a very bad impression on other feudal lords. His son Tsuruchiyo succeeded him in his title and territories, but even after he was imprisoned, Nariaki, relying on his position as the former head of one of the three direct branches of the Togugawa family, demanded to see the diplomatic documents exchanged between the Shogunate and the Government of Holland and expressed his opinions thereon, which of course the statesmen of the Shogunate did not like.

The Visit of the English and French Warships to the Islands of Loochoo.—Some time previous to this a fleet of several French men-of-war cruised about the coast waters of China for a demonstration against the Chinese, with a view of aiding the French Minister in his negotiations with the Chinese Government, and as the cruise was rather prolonged, the Admiral thought it a good opportunity to send a ship to Loochoo. This ship, the *Alcmene*, took aboard a French missionary from Macao named Folkate and a Christian Chinese, Augustine Hoo, who had been released from prison by the French and reached Nawa, the capital of Loochoo, on March 11, 1846. The captain landed and asked the Government to permit the French to trade and propagate their religion in the islands. The Loochoo Government did not say anything about the relations between their islands and Japan, but told the French that the Loochoo were a subject state of China and declined the French request on the ground that the country being a small island had nothing to trade in with the French, and that as to religion the people were all adherents of the teachings of Confucius and other Chinese sages and wanted no other religion introduced into their country. The French captain informed them that the Commodore of the French fleet would come again soon for further negotiations with the Government of Loochoo, and that he might need some interpreters, so he would leave Folkate and his Chinese companion on the islands for the purpose. His warships then set sail. The Government in the Loochoo reported the visit of the French warship to the Clan Government of Satsuma, which transmitted the news to the Shogunate in Edo, both Satsuma and the Central Government being greatly surprised by the news, which also struck the people, and the garrison in the islands, which had consisted of only a hundred soldiers, was increased in consequence. In the meantime Folkate and his Chinese comrade became able to speak in the native language and told the Government officials there that the English were planning to dispatch their fleet to the Loochoo from the Chinese waters to conquer the islands, and suggested that the only way of escape was to become a protectorate of France. In May 1845 one English warship appeared off the coast of the Loochoo Islands. She came from Canton and proceeded as far as Nagasaki, whence, after coaling, she steamed away, only to return again shortly and survey the coast of Loochoo. In April next year she came again and, despite persistent opposition, left one doctor and his wife on the islands. In the same month three French men-of-war came, and the officers and crews landed and walked or rode about the island as well as surveying the coast waters. They, too, proceeded to Nagasaki for coal and water.

The Loochoo Islands opened to Foreign Trade.—From these frequent visits it became obvious that the intention of the French and the English was to persuade the Japanese to trade with their countries and to make the Loochoo Islands their jumping-off ground. Edo was much puzzled how to deal with the situation, which gave a splendid opportunity to the Satsuma clan to get the better of the Shogunate. As we have seen, after they conquered the Loochoo Islands, the Satsuma clan had been trading through the Loochoo Islands with the Chinese, the Dutch, and other foreigners, and they knew very well that the true object of the Western countries was to trade with the Japanese, without any ideas of conquest. They also knew that if the Japanese were fully prepared for defence, they need not necessarily fear the visits of any foreign warships to these shores. Whilst Edo and the heads of many big clans were in a state of panic-stricken ignorance the rulers of Satsuma kept perfectly cool, and attempted to persuade Edo to open the Loochoo Islands to foreign trade, hoping to monopolize it themselves by dint of their peculiar relations with the islands. With this object in view, Shimazu Seihin, the then Lord of Satsuma, suggested to Abe Masahiro, the then Prime Minister, that the islands should be opened to foreign trade, giving the following reasons: If the Government of the Loochoo Islands flatly refused the request of the Western countries to trade with them, their warships would open fire on the country and very soon occupy the islands, which could not defend themselves. Although the Loochoo Islands were in reality a subject state of Japan, they professed loyalty toward China, and if the Western countries entered into an agreement with China with regard to Loochoo trade, Japan might have no ground to reject it. Besides, by opening the islands to foreign trade, Japan could divert the attention of foreign countries from herself to Loochoo. For these reasons the statesmen of Satsuma strongly urged Lord Abe to agree to the course they suggested. They did, however, tell him that the Shogunate should prohibit the French and the English from propagating Roman Catholic teachings among the people of Loochoo. Lord Abe, who was at his wits' end to know what to do, listened to the suggestion of Satsuma, and on May 27, 1846, issued an order to the Lord of Satsuma, tacitly, if not overtly, admitting the opening of the Loochoo Islands to foreign trade. At the same time he instructed Shimazu Seihin, the Lord of Satsuma, and his son, who was then in Edo, to return to Satsuma at once, and negotiate with the French Commodore with regard to the question of the Loochoo. The conservative Abe had, in fact, been changed by force of circumstances and more knowledge of foreign affairs, and had realized even before the French warships came to these shores that Japan, with her then means of defence, could not drive away the foreign warships by force. The visit of the French warships to Loochoo only served to bring him down more forcibly on the side to which he was already inclined, but he was not actuated at all by the belief that Japan would benefit both materially and morally by trading with the other countries. His idea was to permit the French alone to trade with Loochoo, and keep out all other foreigners with the help of France, and he intimated as much to Shimazu Seihin before he left Edo for Satsuma.

ABE'S SECRET POLICY MISTAKEN.—Lord Abe was of not more than average intelligence, but was less obstinate and more open to conviction than the other conservative statesmen of his day, allowing his opinions and politics to be swayed by changing circumstances. In giving an order to the Lord of Satsuma to negotiate with the French for the opening of Loochoo to foreign trade, he did not do so openly, but told Satsuma to keep it secret from the other clans. Not only this, but he attempted to mislead the people into the belief that he had a strong foreign policy, by preparing the armaments of the country against an invasion. In this he was highly successful. The people believed he intended to repel by force the foreign warships, if he saw a chance to do so, and all the conservatives were delighted with it. Internally, his policy was, therefore, successful: but it must be admitted that most of the complications and troubles which developed in the later years in connection with Japan's foreign relations originated in this double-faced attitude of Lord Abe Masahiro.

LORD ABE'S AMBIGUOUS POLICY.—On May 27, 1846, Rear-Admiral Biddle, commander of the American East Indies Squadron, entered the Bay of Uraga in the province of Sagami with two ships and presented to the Government a letter from the President of the United States, asking Japan to open trade with his country. The officials of the Shogunate, who received him at Uraga, refused the request of the Government of the United States, and at the same time told him that the Japanese Government would not negotiate with the representatives of any foreign countries except at Nagasaki. The American warship soon went away. In June the same year a French warship came to Nagasaki, and in August an English man-of-war appeared off the coast of the Loochoo Islands. In 1842 the Shogunate had moderated its decree on the immediate expulsion of foreign warships, if they came to these shores, and communicated the same to England, France, and the United States through the Dutch. In June 1847 a Dutch official came to Japan and warned the statesmen of the Tokugawa Shogunate that the Western countries were planning to dispatch representatives to Japan in the next year with a view of requesting the Japanese to open their country to trade. This warning was soon endorsed by the news that the French had landed in Korea, which was a great shock to both Government and people, and the Shogunate ordered the feudal lords to prepare their armaments against a possible foreign invasion. But in this connection there was no definite policy, and everything was at sixes and sevens. For instance, Nabeshima Narimasa, the lord of Hizen, asked permission to repair the forts at Nagasaki and equip them with 100 guns, but Edo refused. Thereupon Nabeshima disregarded the Shogunate's order, repaired the forts and equipped them with guns, as he had planned, while Edo looked on quite unconcerned. Many people attributed the frequent visits of the foreign warships to the Shogunate's moderation of its policy against them, and urged that the Government should revert to its strong attitude, and expel them immediately if they came to these shores. This was, of course, the result of ignorance of the strong tendency of Western civilization to advance eastward and inability to realize that Japan could not check the current. Lord Abe and other statesmen of the Shogunate were branded as timid and incapable of handling the affairs of the country, as they did not uphold the view of these jingoes, among whom Daté Muneshiro was prominent in advocating the dismissal of all officials in favour of trading with other countries, laying his views before Abe with great vigour.

ANTI-FOREIGN SENTIMENT GROWING AMONG THE JAPANESE.—In April 1849 an English warship suddenly appeared off Uraga, in the province of Sagami, and, after being refused a meeting with the officials of the Shogunate there, sailed for Shimoda, where Igawa Tarozayemon, the Shogunate representative, went aboard and spoke to the officers through a Chinese interpreter. He told them that Japan forbade any foreigners to land or survey her coast waters. The English officers accepted what he said and left, but the visit only served to stimulate anti-foreign feeling among the Japanese, and advocates of a strong policy became more insistent. Lord Abe knew that Japan was bound to open her country to foreign trade, yet to carry out this policy he had to face serious difficulties, especially in view of the bitter conservative sentiment then prevalent. He could not revive the order of the Shogunate calling for the expulsion by force of foreign warships, which order he had himself moderated, and, placed in a serious dilemma, he asked the feudal lords in charge of the coast defence of the country to express their opinions on this great question confronting Japan. Matsudaira Yokei, the lord of Aizu, replied that the Shogunate should first complete the coast defence and then consider its general foreign policy, and his opinion was shared by many other daimyos. Abe still hesitated and was without definite ideas as to the course that Japan should follow. He feared to accept Matsudaira's suggestion lest the heavy expense it would entail on the feudal lords should cripple their finances, nor did he like to issue an order for the immediate expulsion of the foreign warships, which he was not at all sure would be obeyed by the strangers, and, moreover, doubted whether Japan was in a position with her then armaments to enforce her wishes. Except for a few Dutch scholars, there were not many well-informed men advocating the opening of the country to foreign intercourse, while the rest of the samurai and others interested in State affairs all advocated that the foreign warships should be expelled immediately. Tokugawa Nariaki, of Mito, was the leader of this anti-foreign movement, and in August 1840 he presented a letter to the Shogunate, strongly urging them to take a very decided step against the foreign warships at once. With such support the anti-foreign movement grew quickly, but what was to be more feared was the sentiment of the people at large, which was visible behind the movement.

Growing Anxiety for the Safety of the Country.—Prior to the establishment of the Tokugawa rule, Japan was divided into several states, each of which was independent from the other. Each state had its own ruler and Government, and the ruler and people of each state never troubled their heads about the affairs of any other. Each state was an independent country by itself: its lord was a sovereign, and ruler and people were always anxious to make their own state bigger and stronger, even at the expense of their neighbours. The idea of Japan as a whole very seldom occurred to the people in those days. But centralized Tokugawa rule brought peace, and learning spread among the people, teaching them that Japan was one country among many, and the people of Japan were the members of one big nation united for the same interests against the other nations of the world. They also learned that even though two states had differences, they were not perpetual enemies, and would have to unite if their country went to war with another nation. These ideas quickly spread during the peaceful years of the Tokugawa rule. Neither was this national conception a new one, for whenever any Japanese had a chance to compare his own country with any foreign country, the idea occurred to his mind, although a very few of the Japanese had such a chance in those days, when Japan was isolated. Since the beginning of the history of Japan the country had never been so well controlled under one rule as during the Tokugawa period up to the time we are now reviewing. The Japanese, therefore, did not confine their views any more to their respective counties, or districts, or clans, and began to think of themselves as a nation, though the idea was still rather weak and often ambiguous. It is not too much to say that the Japanese had never had such a strong sentiment of love towards their country as in the time of Tokugawa rule, and at this juncture they were visited by foreigners aboard their ships. These foreigners, as was believed by the Japanese in those days, lived on the flesh of beasts, drank red-coloured spirits, made no difference of respect between men and women, the young and old ; their voices were just like those of dogs and pigs, and they looked like the lowest class of people in Japan, though dressed in fine clothes. Finally, they were naturally cruel and brave, just like the savages from Mongolia. These strangers were now attempting to conquer Japan, as the people thought, either by means of trade or commerce, or by armed force, and the Japanese naturally feared that their country was in great danger, and were determined to expel the foreigners from their coasts and to save their beloved land. This anxiety of the people in connection with foreign relations originated in the era of Kwansei (1789–1801), when the Russians visited Edo, and the sentiment quickly grew with the subsequent visits of the French and the English warships to these shores. When a country is suddenly brought into contact with foreign influences, it is natural that its people should be taken aback and feel anxious for the possible danger to their country in the circumstances, no matter whether he who views the situation is wise or unwise. If he be wise he will keep his head and use all his wits to reap any possible advantage, but in the opposite case he will simply be indignant and attempt to strike a bold blow at the menacing foreign influence. The attitude he may take depends upon his knowledge or his ignorance of the conditions of the countries which are menacing his own. Now, the statesmen of the Tokugawa Shogunate knew in their minds that Japan would have to open her country to foreign intercourse and trade sooner or later, but they did not openly say so, nor did they take the people into their confidence or enlighten them on the conditions of the world, which it was very difficult for an ordinary Japanese to know in those days. Even most of the responsible officials of the Shogunate knew nothing of the foreign policy of the Government, and, as a matter of internal policy, ministers attempted to impress the lords and the samurai class as well as the people at large with the idea that the Shogunate was going to take vigorous action against the foreign warships very soon. For this reason, therefore, the Shogunate tried to keep the people ignorant of the conditions abroad, prohibited the publication of any foreign books translated into Japanese, except with the licence of the Governor of Nagasaki, who controlled the foreign affairs of the Government; and also forbade the Japanese-Dutch scholars to talk world affairs, because, knowing something of the conditions of the world, they would say that Japan would have to enter into relations with the foreign countries. Had Lord Abe been in favour of opening the country to foreign intercourse, he should not have prohibited these men from discussing foreign affairs, but, on the contrary, he closed their mouths. At the bottom of his heart he may have been in favour of the opening of Japan to foreign intercourse, but the impression he gave was that he was against it. What, then, was the condition of Japan's coast defence in those days? It was surprisingly poor. In 1850 Lord Asano Nagatoshi, the Governor of Uraga, declared that the coast defence equipment was so poor that Japan would be in a serious position if she was attacked by any foreign country. The fortress at Uraga was then very poorly equipped with 124 guns, that could discharge a shell weighing 500 momme or more, of which only eight were of five-inch or more calibre. For each of these guns they had only sixteen shells in stock. To make matters worse there was no reserve of rice or money at the fortress, and in time of emergency the Government used to borrow rice and money from the local merchants for the expenses of the fortress. Such was the actual condition of Japan's coast defence in those days.

INTERCOURSE OR WAR?—In June 1850 the Dutch told the Governor of Nagasaki that the English would soon come to Japan with a view of negotiating with the Japanese Government for the opening of trade between the two countries, and that the Government of the United States, too, intended to dispatch a representative to Japan for the same purpose. They thus called the attention of the statesmen of the Shogunate to the changing circumstances, but the Japanese still could not make up their minds definitely regarding their foreign policy. In August 1852 the Dutch Governor-General of Java dispatched to Japan Jonkheer Kluchens, a member of the Colonial Council, with an autograph letter in which he told the Japanese Government that the United States would soon dispatch men-of-war to Japan with a view of urging the opening of the country to foreign intercourse. He spoke of the circumstances in which Japan was placed which would drive her to abandon her isolation policy, and added that if Japan was not careful in dealing with the American fleet, it might entail war with the United States, which would be disastrous. The Shogunate declared that although Japan permitted her people to trade with the Dutch people, she had no intercourse with the Government of Holland, but allowed the Governor at Nagasaki to accept a communication from the Dutch Governor-General of Java, on the ground that it was not a letter but a note. At the same time the Shogunate instructed Nagasaki to get the communication translated into Japanese and forward it to Edo at once. The truth was that though the statesmen of the Shogunate affected to despise any communication from the high officials of the Dutch Government, in view of the traditional isolation policy, yet they were very anxious to see the communication, which they knew contained important statements in reference to political circumstances with which Japan was face to face. In this letter to the Shogunate the Governor-General of Java suggested that the Shogunate employ Kluchens as its adviser, and listen to his opinions as to the best course to be taken. Three months elapsed without any answer coming from Edo, and Kluchens feared that if the American fleet appeared in the meantime a serious situation might be created. He accordingly wrote to the Governor of Nagasaki making several suggestions in connection with the opening of the country to foreign intercourse. First, that Nagasaki should be made a trade port; second, that the establishment of foreign consulates be consented to; third, that the foreign merchants be permitted to establish their firms or offices; fourth, that the licence for trading with foreign merchants be limited to the merchants of Edo, Kyoto, Sakai, and Nagasaki; fifth, that as Japan prohibited the exportation of Japanese gold and silver out of their country, and did not permit the circulation of foreign money in her country, trade transactions between the Japanese and the foreign merchants be done in the bills issued by the chambers of commerce at Nagasaki and Osaka; sixth, that the foreign goods to be imported into Japan be made subject to customs duties, to prevent excess of import; seventh, that all legal differences between the Japanese and foreign merchants in regard to trading be settled at a joint court of the Governor of Nagasaki and the foreign consuls; and eighth, that if any foreign resident committed a crime, he should be tried by the consul and in accordance with the laws of his own country. These points he suggested the Shogunate should insist upon, in case Japan had to open her country to foreign intercourse and trade. Edo paid small attention to these suggestions, and did not answer the Dutch Government at all.

AMERICAN ACTIVITIES ON THE PACIFIC.—By this time the United States of America was seventy-five years old, and had extended her activities to the West. In 1847 she drove the Spanish out of Texas, and in 1850 added the State of California and exploited the western coasts and came out to the Pacific Ocean. Then her citizens cherished the ambition of extending their influence and interests to the lands across the Pacific. Their eyes were turned to Japan, first because they wanted to protect their whalers which cruised in the coast waters of Japan, while second they needed coaling stations for the American steamers plying to the Orient, and finally they wanted the profit to be made by trading with the Japanese. With these objects in view, the Americans had often requested the Government of Japan to open the country to foreign intercourse, and always been refused on the ground that tradition forbade it. America, therefore, finally made up her mind to make Japan open her country to intercourse with the foreign countries, even by force of arms if necessary, and in 1852 the American Government decided to dispatch a squadron to Japan for the purpose. It was then that the Government of Holland, seeing that America was finally determined on this expedition, reported it to the Japanese Government, and suggested Japan should open her country to foreign intercourse at once, but, in spite of this friendly advice, the Tokugawa Shogunate was still hesitating to take any definite course towards the opening of the country. On October 13, 1852, Commodore Perry, America's special envoy in command of a fleet, started from the Atlantic coasts of America and arrived at Hong-kong via South Africa at the end of February 1853. There preparations were made for active service, and the next stop was Loochoo, reached on April 18th. Perry said he was going to Japan to open trade with the Japanese and demanded to see the King. The demand was refused, whereupon he landed with a force of marines and proceeded to the Palace, and as the King still shirked the interview on the plea of sickness, the commander saw the ministers instead; and then, after cruising about the coast waters, set sail for Japan, arriving in the Bay of Uraga, near Edo, on June 3rd. The news was quickly reported to Edo and staggered both Government and people. All sorts of wild rumours spread, and it seemed as if war had already begun. The samurai flew to arms and the common people prepared to fly from the city, while the Shogunate issued orders to the feudal lords to make immediate preparations for hostilities with the American fleet.

PERRY THREATENED JAPAN.—Before his departure from America, Perry had carefully studied the conditions in Japan, and he concluded that if he negotiated with the Japanese Government in the same way as the other foreign countries and America had done before, he would have no success. He had decided, therefore, to take strong measures in order to attain his object and to open fire upon the Japanese if circumstances necessitated his so doing, and he was fully prepared for hostilities when he arrived at Uraga. The Shogunate official at Uraga did not know anything about this, of course, and when the Americans attempted to land, they dispatched two interpreters, Hori Tatsunosuke and Tateishi Tokujiro, with an armed force, and asked what was their object in coming to Japan, refused to negotiate with them at Uraga, and told them to go to Nagasaki, as the only place where the Japanese Government would negotiate with foreigners. Perry turned a deaf ear, and declared that if the Governor of Uraga would not receive the letter of the President of America, he, with his fleet, would proceed to Edo by sea and present the letter to the ministers of the Shogunate direct. He added that if Japan hesitated to make her mind up to trading with the Americans, he would have to open fire, which would mean disaster for the Japanese. With this warning he handed two white flags to the Japanese officials and told them to hoist them when they wanted peace, because, once they were hoisted, his fleet would cease firing at once. Edo knew that they could not reject Perry's request, and instructed the Governor of Uraga to receive the letter of the President of the United States. The Governor, Lord Toda, and Lord Ido, accompanied by Hayashi, met Perry and his staff at Kurihama, a few miles north-west of Uraga, and received the autograph letter in which the chief executive of America advised the Government of Japan to open the country to foreign intercourse. Perry was accompanied by a force of 400, and there were three copies of the letter—one in English, one in Chinese, and one in Dutch.

THE STRENGTH OF THE AMERICAN WARSHIPS.—The American warships lying off Uraga were manned by 2,000 men, and when they fired a salute the roar of the guns had tremendously impressed the Japanese officials and helped Perry to attain his end. The Japanese had seen big European merchantmen or warships, each moving about or navigating independently, but they had never seen a fleet or group of these big warships engaged in action together. They now saw the American warships moving about in line and acting in perfect concert under the orders of their Commander-in-Chief, and were filled with surprise by the scene. All these facts prompted Lord Abe to make up his mind in favour of opening the country to foreign intercourse, as he was convinced that circumstances were too strong against isolation, yet he could not say so openly but waited for public opinion to swing round, for he wished to give the appearance of being forced to give way before the national wishes. In other words, like many other mediocre statesmen, he attached too much importance to domestic politics, even at the expense of the foreign policy of the country, and attempted to evade responsibility for his political actions, simply out of the desire to preserve his official life.

Lord Abe attempted to make Lord Nariaki alter his Views on the Foreign Policy of the Country.—One of the chief stumbling-blocks in the way of Abe was Tokugawa Nariaki, of Mito, who was recognized as the leader of the most obstinately conservative party. His attitude closely affected the foreign policy of the Shogunate, and Abe attempted in many ways to make him alter his opinion and agree to the opening of Japan to foreign intercourse, but Nariaki was not easily to be moved. It is said that he privately suggested a surprise attack on the American fleet, when all aboard should be made prisoners and the four ships seized. Such a suggestion is proof of how ignorant the Lord of Mito was of the general conditions of the world, but he was only an example of many Japanese statesmen in those days, who knew nothing outside their own country. It is true to say that, except for a few responsible men in the Shogunate, no one in those days knew more than the Lord of Mito did about the conditions in the rest of the world, and most of the officials of the Shogunate and the Hatamoto samurai, on whom the Shogunate depended, did not know even as much. They were carried away by their feelings emotionally but did not realize the true aspect of the situation, nor were in any way prepared to meet the crisis that would supervene. As one of his methods of changing the stubborn Nariaki, Abe laid before him the desperate state of the Shogunate's finances, and made it clear to him that even if Japan fought a victorious war with the United States, the financial condition of the Shogunate was so serious that it would not last for another year. Therefore, said Kawaji, the finance minister and Abe's envoy, it might be a better policy for Japan to accept the request of America and open her country to foreign intercourse, and in the next ten years she could prepare for a war with the United States. When thus fully prepared, she could declare war, defeat America, and expel all the Americans out of Japan. Kawaji's explanation of the serious condition of the Shogunate's finances convinced the Lord of Mito that any war with America was impossible in the existing circumstances, yet it was too late for him to alter his views, because he had been so well known for his strong opinions against the foreigners, and was afraid that if he suddenly altered his opinions he might be criticized for being led by the nose by Lord Abe. He continued, therefore, advocating a strong bellicose attitude against the foreign countries, though he knew that his plans could not be carried out, and at the same time would be fatal to Japan as she then was. He acted, indeed, like a political agitator of to-day.

The Anti-Foreign Movement at its Zenith.—Before he would declare for opening Japan to foreign intercourse, Lord Abe wanted to create a public opinion favourable to such a policy, and in the meantime he wanted to get the Americans away from Japan, and told Perry that the Shogunate would reply to the letter from the President of the United States through the captain of the Dutch merchantmen at Nagasaki in the following year. Perry accordingly left, but unfortunately on June 22nd in the same year Shogun Iyeyoshi died. Lord Abe proclaimed Iyesada, the third son of the late Shogun, the 13th Tokugawa Shogun. In the meantime a translation of the letter from the President of the United States had been completed, and on June 26th the letter was shown to the high officials of the Shogunate, then to the three direct branches of the Tokugawa family and the other lords, with a request for their opinions. The Government had expected the lords to be in favour of opening the country and to get their support for its plans, but to its surprise most of the daimyos advocated the immediate expulsion of the American warships if they returned. This no doubt represented public opinion throughout Japan, and the views advanced by the lords at their conference only represented the voice of the nation at large. One strange phenomenon was that such daimyo as the Lord of Owari, the Lord of Echizen, and the Lord of Mito, who, being in the closest relation to the Shogunate, had the best chances to be well informed on foreign affairs, shared the anti-foreign views of these conservative lords.

THE TOKUGAWA SHOGUNATE DRIVEN TO THE WALL.—The anti-foreign sentiment was so widespread and so strong that even with the power of the Tokugawa Shogunate it was hardly possible to change or even modify the trend of the national animosity against the foreigners. Even now Lord Abe's attitude was still ambiguous. In his mind he realized that the circumstances of the world did not permit Japan to do any other than accept the request of the United States, but he still concealed his convictions from the public and continued to attempt to give the impression that he advocated a very strong policy against the United States, as expected by the anti-foreign agitators. In spite of this ostensibly bellicose attitude the Shogunate hoped that when the American warships came next year no trouble would occur between them and the Japanese, and had special services said at Nikko and Zojoji in Edo to pray for a peaceful outcome. For these services each temple received 100 pieces of silver.

THE VISIT OF THE RUSSIAN AND THE AMERICAN WARSHIPS.—While everything was thus at sixes and sevens, the Shogunate was again shocked by the visit of Russian warships. On July 18, 1863, two Russian warships, accompanied by two sailing ships, under the command of Admiral Pouchatine, came to Nagasaki and presented to the local government authorities a letter from the Emperor of Russia, asking them to forward it to the Shogunate in Edo. At the same time the ships demonstrated with a view of impressing the Japanese with their strength. What Russia requested from Japan was first to open intercourse and trade relations between Japan and Russia; second, to decide the border between the two countries in the north, Japan's border to be along the island of Etrov, in the southern part of Saghalin, and the territories north of the islands of Etrov, the Kurile Islands, and the north of the bay of Aniva to belong to Russia; third, that the ports of Osaka and Hakodate in Yezo be opened to trade with the Russians, that consulates be established there, and that the Russians be permitted to trade, reside, and adhere to their own religion at those two ports; that the Russian criminals be tried by Russian law, and that the Russians be accorded the most-favoured nation treatment in Japan. The Shogunate dispatched Tsutsui Mananori, a high official in the Shogun's Court, and Kawaji Seibo, the Minister of Finance, to Nagasaki to negotiate with the Russians, who were told that Japan would dispatch a commission to the north to investigations in connection with the border question later, and that the Russian request for the opening of Japan to foreign intercourse and trade would be replied to at some future date. Thereupon the Russians went away. On January 10, 1854, the American warships came again with a determination stronger than that of the Russians to force Japan to open her country to foreign intercourse. The fleet consisted of nine warships in all, and appeared first off the coast of Izu, and then entered the Bay of Uraga, whence they proceeded as far as Kanagawa, near Edo. When the American warships, with the *Powhattan* as their flagship, lay at anchor off Kanagawa, a man called Kurokawa Kahei in a small boat managed to get alongside, and on behalf of the Shogunate told them to return to Uraga. Perry would not see him and refused to listen to his request, and the Shogunate then agreed to negotiate with Perry at Yokohama. At that time there was an official of the Shogunate called Manjiro. Originally a fisherman in the province of Tosa, he had been shipwrecked on a desert island, whence he was rescued by an American ship and taken to the States. There he lived for ten years and married an American woman. In 1851 he returned to Japan via Loochoo and Satsuma, and instead of being beheaded, as he would have been sixty or seventy years earlier, the authorities were delighted to find a man who spoke English and gave him an official post. He would now have been chosen to assist in the negotiations with the Americans, but Tokugawa Nariaki objected, saying that Manjiro might disclose the true conditions of Japan to the Americans secretly. The Americans on their part brought with them a Dutch inteprreter who spoke

Japanese, and one Japanese who had been a fisherman in the province of Satsuma, been shipwrecked and rescued by the Americans, from whom he learned English.

THE NEGOTIATIONS BETWEEN THE JAPANESE AND THE AMERICANS. In the negotiations at Yokohama, Japan was represented by Hayashi Daigaku-no-kami, Ido Tsushima-no-kami, Izawa Mimasaka-no-kami, Toda Ido-no-kami, Choyei, and Matsuzaki Mantaro, a scholar, and the meeting really had a comic side. The American fleet consisted of nine warships all equipped with big guns ready for firing, while the Japanese went out in mere cock-boats in which they made a circle around the American ships for the purpose of attacking them, if the circumstances necessitated it. So tiny were they that they were liable to be upset by the waves created by the movements of the American warships, though the Japanese did not realize the danger yet. As for Japan's artillery, there were only five guns that could discharge a shell weighing 100 momme, and those guns were ashore. The guns on the fighting boats fired a ball of 10 to 20 momme. Besides, the men who manned these poor fighting boats and stood by the feeble arms were all soldiers trained for fighting on land, but knowing nothing about the sea. When their boats were rocking about around the American warships, these soldiers became seasick, and the officers, too, and presented a ludicrous scene at which the Americans could not but laugh. When the delegates of the Japanese Government were about to meet with Perry at Kanagawa, the American warships fired an eleven-gun salute before Perry's landing, the roar of which astounded the Japanese officers and men on guard. It was only after they had discovered that the guns were firing blank cartridges that they recovered presence of mind. When Perry, with his bodyguard of two companies of sailors, landed and was about to enter the conference place, the officer in command gave an order in a big voice, when all the sailors unsheathed their cutlasses as one man and stood in line. At his second order they marched into the enclosure. The fact that this officer made his men move in any way he wished and the discipline of the American sailors greatly astonished the Japanese soldiers, who looked on. During the negotiations Toda Idu-no-kami and Ido Tsushima-no-kami wore their Japanese yoroi and the Jinbaori coat and the Jingasa helmet—in fact, the full dress of a warrior of ancient Japan. Such was the scene when the Japanese delegates met Perry and his staff at Yokohama.

AN AGREEMENT OF INTERCOURSE CONCLUDED.—During the negotiations the Japanese delegates pointed out to Perry that it was the traditional policy of the Shogunate laid down by its founders that Japan should have no intercourse with any foreign countries. They could not alter the policy, they said, and attempted to refuse the American request. But Perry would take no refusal, explaining the conditions of the world, and pointing out why he recommended Japan to open her country to foreign intercourse. Hayashi Daigaku-no-kami, who was the head of the Japanese delegates and a distinguished scholar, had boasted when he left Edo for Yokohama that he would easily persuade Perry to go away at once, but he changed his mind as he listened to the Commodore speaking of the conditions of the world and heard his sincere suggestions as to how Japan should act towards foreign countries. Both Hayashi and the other delegates began to feel that Perry was right, and that they should fall in with the wishes of America, and more, that it would be advisable for Japan to do so in the circumstances. Lord Abe's instructions to the delegates had been to settle the matter in a peaceful manner, and he had given them full authority to decide for themselves any question that might arise, without coming to Edo for further instructions. This he had done to avoid the necessity of asking for Tokugawa Nariaki's views, which he would have to do were every question discussed at a conference of Ministers. Now Hayashi and the other Japanese delegates were already convinced that in the circumstances Japan had no other course to take than to accept the American proposition, and as they had been given full authority by the Shogunate, they decided to give way, and a treaty was signed by the representatives of the two Governments for intercourse and trade between the two countries, which is known as the Kanagawa Treaty. Together with the letter from the President of the United States, Perry presented to the Shogun, his wife, and Lord Abe various gifts, such as a model railway and a telegraphic apparatus intended to give the Japanese a knowledge of Western civilization. In the presence of the Shogunate officials and other Japanese telegraph-poles were erected over a distance of a mile, the wires connected, the apparatus set up, and messages sent in English, Dutch, and Japanese to the immense astonishment of the lookers-on. But they were still more surprised by the operation of the model steam railway. The visitors laid a track, along which a train of cars drawn by a locomotive ran amid the delight of the assembled Japanese. The toy car was only large enough to carry a child of five or six years old, yet one of the samurai rode in it and was immensely pleased.

THE HIDDEN ROCK BEFORE THE SHOGUNATE.—Thus while it had not yet decided its foreign policy definitely the Shogunate concluded a treaty of agreement for intercourse with the United States, and secretly trembled as to what the attitude of Lord Nariaki might be. Since the time of Lord Mitsukuni, the founder of the Mito branch of the Tokugawa family, the Mito clan had cherished a peculiar sentiment towards the Imperial Court in Kyoto, in spite of its close relations to the Tokugawa Shogunate. Mitsukuni had compiled the *Dai Nippon Shi*, or *History of Japan*, in which he emphasized the position of the Emperor *vis-à-vis* the Shogun, and showed an inclination towards the Imperial Court, the result of his pure sentiment of respect and admiration for the old Imperial rule and its environments. He had many friends and admirers among the Court nobles in Kyoto, and the relations between the Court and the Mito clan, thus established, became closer at the time of Lord Nariaki, who out of his political ambition attempted to utilize the influence of the Court nobles for his own ends, and indeed looked upon it as part of his political capital. This lord was consequently always under suspicion in Edo, and it was even rumoured once that he planned a rebellion against the Shogunate, under the banner of the Imperial Court. When England, France, Russia, and the United States sent their warships to Japan and advised her to abandon her isolation policy and open her country to intercourse with them, the opinion of the country was divided, one section of the people advocated the throwing down of the barriers and the other insisting on the continuation of the traditional policy of isolation and the immediate rejection of the proposition of the foreigners. Lord Nariaki sided with the conservative party and advocated a strong foreign policy, at first only of fear of the foreign countries, but later out of his ambition to gain influences and popularity among the conservative majority of the nation. He attained his popularity among those dissatisfied with the foreign policy of the Shogunate, and not only kept the conservative element of the nation in agitation, but showed that he wanted to bring Court nobles in Kyoto within his political orbit. In everything he appeared to serve his own political ambition, and it is only natural, therefore, that the Shogunate regarded him as a hidden rock in the path of the ship of state and watched him with suspicion. It is not too much to say, indeed, that a great part of Lord Abe's sagacity and time during his administration was diverted to managing Lord Nariaki, and he did so by giving him a certain power and popularity, with which he was satisfied in his political ambition, and was content to do nothing reckless that might place the Shogunate in any serious difficulty with the foreign countries. So far as Lord Nariaki is concerned, the Shogunate thus managed him successfully, though he was no doubt a difficult handful, but the greatest danger to the Tokugawa rule in home politics in those days was not the Lord of Mito, but other lords who were discontented with the administration.

THE CLANS OF SATSUMA AND CHOSHU, THE GREATEST DANGER TO THE SHOGUNATE.—A rule of physics can be applied to the affairs of mankind as well as to the phenomena of nature. When a piece of coal burns we get only a chemical change, and none of the elements which composed it is wiped out. The same can be said of the relations between the Tokugawa Shogunate and some feudal lords. When the Tokugawas took political power from the Toyotomis they conquered many feudal lords and compelled them to pay homage, but these lords were not extinguished for ever. They had only surrendered to the power of the Tokugawas, and were always on the look-out to regain their political power. Among such daimyo the most distinguished were Lord Shimazu, of Satsuma, and Lord Mori, of Choshu. These lords were subjugated by the Tokugawas after the battle of Sekigahara, and were forced by the circumstances to serve under the Shogunate, but they really did not favour the Tokugawa rule, nor had they any particular feeling for the Tokugawas. On the contrary, they had never given up the ambition of overthrowing the rule of Edo, and were always on the look-out for a chance and ready to take advantage of it. For this reason they advocated thrift among their retainers and people to strengthen the financial position of their clans, and encouraged in every way a martial spirit among their samurai and subjects. During the long period of over two hundred years, in which the Tokugawa family ruled Japan, the political ambition of these big clans seemed to have been occasionally forgotten, but it was a traditional policy, particularly with Satsuma and Choshu, to take revenge upon the Tokugawa family for the battle of Sekigahara, and the people of these two clans were full of soldierly spirit, were well mounted, and in marked difference from other clans were prepared for a war. About the period of Temmei and Kwansei (1781–1801), when the power of the Tokugawa Shogunate began declining, Shimazu, of Satsuma, was ambitious of holding an important position in the Government, and for this object he bribed the leading officials and connected himself by marriage with the Shogun, but when Japan began to face great political troubles both internal and external, and the people were tired of the Tokugawa Shogunate and wished to have a stronger Government established to take its place, then the Daimyo of Satsuma felt he was the man to take the lead. What he wanted was political power, but not revenge on the Shogunate, as Choshu did, although both desired troubles that might overthrow the house of Tokugawa. Satsuma was rich in working gold mines, and both the Clan Government and the people made good profits by their foreign trade, so that their finances were on velvet compared with other clans. Edo was very well aware of the attitude of Satsuma and Choshu and did its best by means of spies to find out what was going on in their territories. In this the Edo Government failed, and so it turned its attention to the Lord of Mito, whose territory was near to Edo, and bridled him, though the real danger lay in Satsuma and Choshu.

EVIL OF FUDAI SYSTEM.—Under the Tokugawa Shogunate the feudal lords were divided into two categories, according to their relations with the Tokugawa family—the Tozama daimyos, and the Fudai daimyos. The former were those who had been colleagues of Tokugawa Iyeyasu under the rule of Toyotomi Hideyoshi, and the latter those who had been the retainers of Tokugawa and raised to the rank of a lord on account of meritorious services in the battlefield, and a number of them were in a family relation to the Tokugawa family. Many of the Tozama lords held bigger territories than the Fudai lords, but their domains were mostly located far from Edo, and their journeys to the capital were very costly, while the Fudai lords were mostly established comparatively near to the capital. The Tokugawa Shogunate leaned entirely upon the Fudai lords, and the important and responsible posts in the Shogunate were always held by them and not by the Tozama lords, among whom Satsuma and Choshu were the most distinguished. Even when the Fudai system no longer benefited the Shogunate, the evils that sprang from it were still working upon Japanese society. The principle of the system was to respect origin and history, and if a retainer of a clan was raised to an important position in his clan as a reward for meritorious services in battle or elsewhere, his descendants would continue to hold the same position generation after generation. This held good also with the holders of responsible positions in the Shogunate, which were all held by the Fudai lords hereditarily, and the civil, financial, diplomatic, and other important affairs of the Tokugawa Shogunate were all handled by them. But the sons of big lords or high officials were not necessarily wise ; on the contrary, most of them, having been cradled in luxury, were second-rate, weak and often stupid. On the other hand, the lower classes are too busy with the struggle for a livelihood and have neither ambition to gain a higher position nor energy to accomplish it. Between those two lies the middle class. They are not so rich as the higher, nor so poor as the lower ; they need not so struggle for existence and yet they feel more or less anxiety over their living. If they are ambitious and aim to rise in the world, they may have a chance of success, and if they are idle or reckless, they may sink to the lower class. Men of respectable mental or physical development are more likely to be found in this class than in any other, but under the Fudai system the class was ignored. In the Central as well as in the Clan Governments important and responsible positions were held by scions of great houses, most of whom were unworthy of their distinguished fathers or forefathers. They held the political power of Japan simply because of their lineage or family distinction, and in the peaceful times they could do well enough without disclosing their stupidity and political inability, hidden under the grandeur of artificial dignity and military power. But at such a time as the one under review, when Japan was confronted by foreign complications, whose solution required real statesmanship, political experience, wisdom, and energy, the stupidity and political inability of these statesmen of the Tokugawa Shogunate could not but be exposed unreservedly. They used to speak of the great achievements and virtue of Tokugawa Iyeyasu, and believed that the very name could command respect among the lords and people, which was by no means true, especially in those later years of the Tokugawa period. In the meantime the middle-class people began to comprehend the tendency of the times and to realize their abilities. They saw that the people were tired of the administration of the Tokugawa Shogunate, and desired a political change, and at the same time they hated to see the feeble and even stupid men in charge of the Governments of their own clans, and were eager to step into their places. These sentiments spread widely among the middle class all over Japan, and with the growing influence of the class in clan politics, each clan was preparing to get rid of the yoke of the Tokugawa Shogunate under which it had been controlled for many years. Such were the political conditions in Japan about the time of Kayei and Ansei, when Commodore Perry visited these shores. The proud lords had long cherished an ambition to become independent of the Tokugawa Shogunate politically and the middle-class people in each clan to oust the incompetent high officials, but neither of them had had a chance to accomplish or reasons to justify their respective ambitions. Now they were given an unprecedented opportunity to criticize the foreign policy of Edo, for following the conclusion of a treaty of agreement between Japan and the United States, the English also came to Japan, proposing to conclude a similar treaty; and in 1856 Lord Abe Masahiro requested the different lords to express their opinions as to whether Japan should open her country to foreign intercourse or not.

THE SENTIMENTS OF LOYALTY AND PATRIOTISM COMBINED.—By this time the Shogunate had practically decided in favour of intercourse with the foreign countries, though it did not openly announce its decision, and still concealed it from the public. In consulting the daimyo, Abe did not really want the opinions of the lords as to the fundamental policy of the Shogunate, but to learn from them how foreign intercourse should be conducted. At the same time his idea was to get credit for consulting public opinion in so important a matter as the opening or closing of the country. But the conditions changed so rapidly against the Shogunate that he was woefully disappointed. In 1853, soon after Commodore Perry left Japan, after presenting to the Shogun a letter from the President of the United States suggesting that he should open the country to foreign intercourse, the Shogunate called a conference of the lords and asked them to express their opinions as to the policy Japan should adopt in the circumstances, when many opposed any idea of opening their country. This was due simply to dislike of foreigners, and there was no spirit of opposition to the Shogunate, nor was there any wide ambition among the lower samurai or middle classes in different clans to oust those who held political power hereditarily. But in the period of one or two years from the time of Commodore Perry's visit until Lord Abe openly asked the daimyos' opinions on his foreign policy, the weakness of the Tokugawa Shogunate and the political inability of the authorities of the different clans were fully exposed before the nation, on account of the difficult questions, both internal and external, which confronted them in succession, and which they failed to solve; and the lords, dissatisfied with the policies of the Shogunate, and the samurai, discontented with the doings of their respective clan authorities, were thus given a chance to launch an opposition movement against their superiors. In fact, the situation underwent a drastic change during that very short period. It is true that loyalty to the Imperial Court had been talked about before, but it was only a sentiment expressed by the scholars, who, reading the history of their country, recalled the grandeur of the period in which the Imperial Court ruled the country and sympathized with the Court nobles suffering under the oppression of the military men. Such talk, therefore, had no political significance at all, and the sentiment commanded respect not only among the scholars of the clan of Mito, one of the direct branches of the Tokugawa family, but was appreciated and upheld and even put into practice to a certain extent by the Tokugawa Shogun. It now, however, assumed a new feature. The foreign countries were forcing Japan to depart from her traditional policy of isolation, to which she had adhered for over two hundred years, and even threatened her with their political ambitions in this part of the world, while the statesmen of the Tokugawa Shogunate did not possess enough political experiences and ability, or were too timid to handle this perilous situation or to guide their country safely in these difficult circumstances. No doubt the statesmen of the different clans felt anxious about the doings of the Shogunate. On the other hand, the discontented samurai in the different clans were indignant with the authorities of their respective clans for not being clever enough to guide the Tokugawa Shogunate in the proper course. Their anxiety and indignation found a crater for their explosion in the arguments of the scholars advocating loyalty towards the Imperial Court, and these discontented lords and other samurai started an actual political movement advocating the restoration of the Imperial rule in the place of the military rule of the Tokugawa Shogunate. The movement quickly spread, and many public-minded men from the different clans got into touch with the Court nobles in Kyoto and joined the movement, which naturally had its headquarters in Kyoto, where the Emperor and his nobility lived. Among these men were some who schemed to use the Imperial Court and its nobles as a stalking-horse for their own ambition, but except for these few all the rest were public-minded, sincere, and filled with peculiar love and respect towards the Imperial Court, believing it was their duty as Japanese to restore to it the historic grandeur and political power which it had once held. Such was the way in which the movement in favour of the restoration of Imperial rule was started in the latter part of the Tokugawa period. Most of those taking part in the movement were the petty samurai in different clans, who were jealously watched by their lords, who feared to arouse the suspicions of the Shogunate, if their retainers took part in the movement. Thus restricted in their liberty, many of them ran away from their clans and came to Kyoto in order to join the movement there. These men were commonly called Roshi, or wave-men, as they had no particular lords to serve but went about from one place to another as the waves across the sea, and in spite of their different motives, united in their respect for the Court nobles in Kyoto, regarding it as the greatest honour to come in contact with them and discuss the affairs of the country. The ambition of these Roshi and Court nobles was, of course, to overthrow the military rule of the Tokugawa Shogunate and to restore a regime in which the Emperor would actually rule Japan, and by their movement the sentiments of patriotism and loyalty towards the Imperial Family prevailing among the Japanese were combined and formed the basis of the great political revolution that was later accomplished. The revolution desired by these men was one of reaction, or going back to the old rule which the Shogun's military rule had displaced hundreds of years before, and it was due to the middle classes, whose power had grown during the two hundred peaceful years of Tokugawa rule, that this revolution was wisely guided and made eventually an ideal political revolution. But for the time being this great influence was still hidden in the political hurricane which was passing over Japan.

The Isolation Policy strongly advocated in Kyoto.—In spite of the movement of the Roshi and the Court nobles, the statesmen of the Tokugawa Shogunate failed to see the sentiment which had been spread so widely among the people, and upon which the movement in Kyoto was based. They took it for granted that the opening of Japan to foreign intercourse was already an accomplished fact, and they were busy with how to direct the foreign affairs of the country in this new era. Thus inspired, the Shogunate abandoned its traditional policy forbidding the construction of any big ships, except cargo-boats, and the lords were not only permitted but encouraged to build big ships, while in 1853 it attempted to make its subjects learn from the Dutch how to build men-of-war, and for the first time adopted officially a specified flag for the Japanese warships. A steamship and hundreds of rifles were accepted from the Dutch Government, and Katsu Rintaro, one of the younger officials, was sent to Nagasaki to learn from the Dutch how to run a steamer. Instructions were issued to the lords and other samurai to economize as much as possible by simplifying their mode of living. An institution called the Bansho Shirabe Tokoro, or place for the study of the Savage Books, was established, and selected samurai studied the Dutch language and literature there. In January 1856 the Kobusho was founded and Western methods of gunnery as well as the Japanese arts of fighting were taught there. The Shogunate was thus preparing for Japan's entry into the new era, but the Roshi and the Court nobles at Kyoto did not regard the opening of Japan to foreign intercourse as an accomplished fact as Edo did, and were determined to fight out the question whether Japan should open her country or not. They often met for discussion, and finally agreed that they would oppose the opening of Japan to foreign intercourse. They particularly hated the idea of the foreign savages, as the foreigners were commonly called in Japan in those days, coming to Osaka or Kobe near to Kyoto, where the Emperor then lived. In this conservative policy Prince Takatsukasa, who was Regent to the Emperor, alone did not agree, holding that since Japan had had intercourse with China and Korea since the ancient times, and later opened trade with Holland, there was no reason why she should not trade with the English and the Americans likewise. " If it was right to have intercourse with one or two foreign countries, why should she not have intercourse and trade with a few more in addition ? " he asked; and he openly advocated that Japan should open her country as advised by Commodore Perry. This frankness came as a bombshell to the other Court nobles, who suspected the Prince of having been bribed by Edo; but when Prince Sanjo and some other Court nobles told Prince Takatsukasa that what they were really concerned about was not so much whether Japan should open her country to foreign intercourse or not as the overthrowing of the Tokugawa Shogunate and restoration of the Imperial rule in its place, and that they were advocating a strong foreign policy to embarrass the Shogunate, Prince Takatsukasa approved of their idea and joined the other nobles in opposing the opening of Japan to foreign intercourse. But still all did not go smoothly, for Prince Naotada Kujo, father of the Empress, had some connection with the Shogunate, and through its influence he was appointed to the position of Regent in the place of Prince Takatsukasa, which split the Court nobles into two parties, one for and the other against the Shogunate. There was a great struggle and all the malcontents, the men seeking fame, the patriots and political adventurers came to Kyoto to join either the anti-Shogunate party or the pro-Shogunate party there.

Lord Hotta succeeds Lord Abe.—While the anti-Shogunate sentiment was fast growing among the Court nobles in Kyoto, there was a change in the Shogunate itself. We have seen how cleverly Lord Abe had managed Tokugawa Nariaki, but he had not been able to make his methods clear to the other officials of the Shogunate, who suspected him of being hand-in-glove with the Lord of Mito, and when Nariaki made his son Keiki heir to the Hitotsubashi branch of the Tokugawa, which had the privilege of supplying a candidate for the Shogunate when the ruling Shogun had no heir, those who hated Nariaki concluded that the step must have been taken with the approval of Abe, and that the only way to overthrow the Lord of Mito was to put Abe out of office. Seeing that Lord Abe was very unpopular because of his foreign policy, they attempted in many ways to overthrow him; while Abe, for his own part, knew that he had lost the people's confidence, and desired to leave office, which, however, the circumstances did not permit him to do. In October 1855 he recommended Lord Hotta Masatoshi to the portfolio of a minister in the Shogunate. Lord Hotta was the lord of Sakura and had many friends among the scholars of Dutch, and was fairly well informed of the general conditions of the world. He was put in charge of the foreign affairs of the Shogunate, and gradually gained more power in the Shogunate than Lord Abe, who died in June 1856. In his early days the dead minister advocated a strong policy against the foreign countries, and was in favour of driving off any foreign warships coming to Japan even by force of arms. He co-operated with Tokugawa Nariaki in propagating anti-foreign feeling among the Japanese, and really thought that he could save Japan by dealing with the foreigners in such a way. But as soon as he joined the

Shogunate he found out the actual circumstances in which his country was placed, and realized that the expulsion of foreign warships was impossible. At the same time he, tired of Nariaki's double dealings, began to change his opinion. His policy was not definite at first, but later he felt that Japan should open her country to foreign intercourse in conformity with the conditions of the world, and gave Lord Hotta a free hand in the direction of foreign affairs. Lord Abe was not a great man, but he could adapt himself to changing circumstances; and though he had no far-sighted nor lofty political views, could deal with questions as they arose, and was clever in picking proper subordinates whom he could trust. In fact, he was a good Premier, and most of those Japanese statesmen who played a prominent part in the political history of Japan in those days were his followers. Among the statesmen produced in the Tokugawa era he ranks high, and there was no one better than he in harmonizing contending currents of thought. With the death of Lord Abe, the power of the Shogunate naturally passed to Lord Hotta, who directed the affairs of the Tokugawa Shogunate during the subsequent years.

Japan opened definitely to Foreign Intercourse.—The death of Lord Abe brought about a crisis in the affairs of the Shogunate, particularly in foreign relations, where the dead minister had not been successful. In June 1854 the Government of the United States had sent Townsend Harris as its Consul-General to Japan, and Harris wanted to go to Edo, be received in audience by the Shogun, and have a conference with the Cabinet Ministers, a request refused by the Shogunate, who objected to any foreign representatives coming to Edo, and told Harris that officials would be stationed both at Shimoda and Hakodate from April next year, and that he should negotiate with them. This was not because Lord Abe really did not like foreigners coming up to Edo, but because he feared the effect of their appearance in Edo upon Lord Nariaki and other anti-foreign Japanese. Harris regretted the attitude of the Shogunate officials, and said that if the Japanese Government appointed low-class officials to receive the foreign representatives, misunderstandings might arise. He suggested that since Japan had already opened her country to foreign intercourse, after the example of the Western countries, she should appoint one Cabinet Minister to take responsibility for her foreign affairs. At the same time, the Dutch reported to the Shogunate how the Chinese had been haughty in their attitude towards the foreigners and caused a war with the English, in which the latter had already taken Amoy and Canton, and were on the point of making other conquests. Lord Hotta was for accepting Harris's request, while Abe still demurred. But as Hotta was seconded by the other officials of the Shogunate, he issued a permit to Harris to come up to Edo. A Government office with a staff like the modern Foreign Office was organized to manage the foreign affairs of the Tokugawa Shogunate, and Harris was received in audience by the Shogun in the palace in Edo. It was after this audience that Harris told the officials that he wished to negotiate with them on an important matter regarding the Far Eastern policy of the United States as well as the political conditions of the world, which induced Hotta to receive the American at his own residence. At this interview Harris proposed to revise the Treaty of Shimoda, concluded between Japan and the United States some years previous, into a complete treaty of intercourse and trade between the two countries, so that both might benefit. He also explained the political conditions of the world, and advised Lord Hotta that Japan should enter into a similar treaty with other Western countries as well. During their conversations with Harris, Lord Hotta and other officials of the Shogunate present were impressed by many things which they had never heard before. First of all they were surprised to learn from Harris that the United States harboured no political ambitions in the Orient, as it was its traditional policy to make no territorial acquisition in any other parts of the world ; in that respect, according to Harris, the United States being entirely different from other countries. Then the Consul spoke of the invention of telegraphic communication, which had so shortened the distances of the world that Edo could communicate with Washington in one hour or so. He also told of the invention of the steamship, which reduced the journey between Edo and California to eighteen days, and went on to talk of the political activities of England and France in the Far East, asserting that England was preparing to drive Russia out of Saghalien, and had designs upon Korea, while France had cast her eyes on the Loochoo Islands. In such circumstances Japan might not be able to defend herself, if she continued her policy of isolation, and no other country would help her out of her dangerous position. If Japan opened intercourse and trade with England, he suggested she should forbid any trade in opium, and advised the levy of a customs duty on all imports on the analogy of his own country, which defrayed part of her expenditure by revenue from this source. Another point he made was that if Japan opened her country to foreign intercourse and trade, her people too should go abroad for trade. Anyone looking from a high mountain at the sea, said he, would perceive many American whalers in Japanese waters. Why, then, did not the Japanese do the same in American waters ? It was ridiculous, he argued, for the Japanese to trade with the foreign merchants coming to their shores and not go abroad themselves for trading in other countries. Finally he warned the Japanese statesmen that England was planning to despatch a fleet of fifty warships to Japan in order to force her to open her country to foreign intercourse, and said that if Japan would conclude a complete treaty of intercourse and trade with the United States, and agree to conclude a similar treaty with the other foreign countries as well, he would advise both England and France to dispatch just a few warships each to negotiate their treaties with Japan. During his interview with the statesmen of the Shogunate, Harris won their hearts, and thereafter Lord Hotta and other officials had so much confidence in him that in any questions that arose regarding treaties and other affairs with the foreign countries, they came to Harris for his suggestions or advice. In fact, he became almost diplomatic adviser to the Shogunate. Four years previous to this, Japan had concluded what was known as the Treaty of Shimoda with the United States, whereby Japan entered into trade relations with that country, but the Shogunate had concealed it from the nation, and just announced that Japan by the terms of the treaty would supply coal, etc., to the American ships coming to the Japanese waters, but no more. During those four years, therefore, the Japanese people had not known of the real significance of the treaty, but the Shogunate could no more keep the people ignorant, and besides they truly realized that Japan could not but open her country to foreign intercourse in the political circumstances in which she was placed. Lord Hotta, therefore, discontinued the double-faced foreign policy that had been manipulated and pursued to please the feelings of the anti-foreign section of the nation, and openly advocated a policy favouring Japan's intercourse with the foreign countries, and proceeded along these lines. On the 1st of November the same year he published the letter sent to the Shogun from the President of the United States of America and the memorandum presented by Harris, as outlined above, and announced that the Dutch and the Russians were permitted to anchor their ships at Nagasaki and Hakodate, and also that if any other country entered into a treaty relation with Japan, the people of that country, too, would be accorded a similar treatment to the Dutch and Russians. This was the first open announcement by the Tokugawa Shogunate of a policy favouring the Japanese trading with the foreigners. In the same year the Shogunate, at a suggestion from the Dutch, withdrew its law against the Christians, under which any person suspected of Christianity had to trample on a portrait of Jesus Christ in the presence of the Shogunate officials in order to prove that he was not a believer.

THE LORD OF MITO APPROACHES THE IMPERIAL COURT IN KYOTO. Thus the statesmen of the Tokugawa Shogunate regarded Japan's opening her country to foreign intercourse as an accomplished fact, and conducted the foreign affairs of the Shogunate along those lines, always consulting Townsend Harris about the foreign affairs of Japan as if he were their diplomatic adviser. Harris was both kindly and sincere, and always willing to give advice to the Japanese statesmen, patiently explaining the political and other conditions of the world, of which the Japanese had been largely ignorant; and it was through this intercourse with the American Consul that the officials became acquainted with world affairs, realized that Japan should have intercourse with the foreign countries, and proceeded along these lines of policy. On the other hand, the Imperial Court and the Roshi in Kyoto did not understand the real situation at all, nor realize that Japan's intercourse with the foreign countries was already an accomplished fact. They still worked to bring Japan again to her former isolated position, and were both dissatisfied and indignant with the foreign policy of the Shogunate. All sorts of rumours and stories circulated in political circles, such as that the foreigners so humiliated the Premier of Japan that he had to kneel down in their presence and beg their pardon, and that foreigners insulted Japanese women, and so forth. It was also rumoured that the officials of the Shogunate were bribed by the foreigners into granting all their requests, etc. Such idle stories as these, that no ordinary Japanese in our time would believe even for a moment, were taken seriously by the Court nobles and the Roshi, who had hardly any knowledge of the conditions in foreign countries, and caused great sensation and indignation among the conservatives in Kyoto, creating a gulf between Edo and Kyoto, where were many Roshi from the Mito clan. Ever since the Shogunate had ceased to treat Nariaki as its adviser on account of differences on the question of coast defence, the Lord of Mito had determined to embarrass the Edo authorities, and to this end he sent a secret memorandum to the Imperial Court of Kyoto, in which he criticized the treaty that the Shogunate had concluded with the United States, and even charged those responsible for it with having nothing in mind but a selfish desire to hold their posts. Then he gave the Court nobles to understand that his clan was determined and ready to fight with the Shogunate and the foreign countries for the restoration of the Imperial rule, declaring that his was not the only clan dissatisfied with the political actions of the Tokugawa Shogunate. Such sentiments were scarcely to be expected from one of the direct relatives of the Tokugawa Shogun. In conclusion, Nariaki said that the Imperial Court should not be afraid because it had no armed forces, and suggested that if the Imperial Court connected itself with the clan of Mito and made the Mito troops its guards, the other clans would come in against the Shogunate. This letter could not be hidden from Edo, and gave ground for their suspicion that the Lord of Mito contemplated rebelling against the Tokugawa Shogunate in co-operation with the Court nobles in Kyoto.

PARTY CONTENTION OVER THE CHOICE OF THE HEIR TO THE SHOGUN. The situation thus created between the two political factions in the Shogunate became intensified by the question of the choice of the heir to the Shogun, which now presented itself. Iyesada, the then Shogun, was a poor creature physically and mentally, as the result of being born in the hotbed of vice the palace in Edo had become. He was little better than an imbecile, and could not attend to State affairs at all. His daily life was something like that of a deficient boy. If it was fine he played with the ducks in the garden ; and in the rainy weather he liked to boil beans in a pot in the palace, and distribute them among his attendants. When his Premier brought to him any State affairs for a decision, he had no idea what to do and often shed tears. The question of nominating the heir was therefore vital. Tokugawa Nariaki and his followers in the Shogunate supported Keiki, the seventh son of the Lord of Mito, and the other side favoured Iyemochi, son of the head of the Kii branch of the Tokugawa. The attendants and ladies in the Shogun's Court were strongly opposed to Keiki, for they feared that if he were appointed heir to the Shogun, the Lord of Mito soon might be named Regent and reorganize the Shogunate to fall in with his own political ambitions, a chance he had long been waiting for. There had never been seen such complicated contention among the officials of the Shogunate and the relatives of the Tokugawa family on any question in the history of the Tokugawa Shogunate ; it gave an opportunity to the Roshi and the Court nobles in Kyoto which they were not likely to let slip, and they spared no effort to increase the estrangement between the different parties.

THE JAPAN-AMERICAN TREATY SIGNED.—In August 1857 Lord Hotta concluded a provisional treaty of agreement with the United States. But before announcing the fact to the nation, he wanted to obtain the consent of Kyoto, after explaining all about it and the circumstances in which Japan was forced to give up her traditional isolation policy, and enter into intercourse with the foreign countries. Accompanied by Kawaji and others in charge of the foreign affairs of the Shogunate, Lord Hotta himself visited Kyoto and gave all details about the circumstances attending the signing of the treaty with the United States, so that the Court might understand the situation and approve the conduct of the Shogunate. But instigated by the Roshi, the sentiment of the Court nobles in Kyoto was against him. Among their leaders Prince Konoye had already politically connected himself with the Lord of Satsuma and Prince Sanjo with Lord Yamanouchi, of Tosa, and these leading nobles, thus supported, did not care how the Tokugawa Shogunate might regard them, knowing, as they did, that the days of the Edo Government were already numbered. They therefore assumed an independent attitude and would not listen to Lord Hotta. The political adventurers gathered in Kyoto took a hand in the game and secretly suggested to the Imperial Court that the Court, on its own initiative, should issue a decree that Keiki should be appointed the heir to the Shogun, before the Shogunate had decided upon the question and asked the sanction of Kyoto. At the end of August Lord Hotta was called to the Court, when the Prime Minister and other nobles attended and handed him the following message from the Throne to the Shogun :—

> When the treaty of Shimoda was signed some years ago, it was feared that the results might be far-reaching upon the future of the country, and we fear the terms of the present provisional treaty may affect seriously the integrity of the Empire. The nobles to whom the present treaty was submitted for discussion have reported that the evil effect on the integrity of the country will be far-reaching. Therefore, the Shogunate shall submit the matter once more to the discussion of the three direct branches of the Tokugawa family and other lords, and report to the Throne the decisions reached at the conference of these lords.

The above quoted message is nothing but a suggestion to the Shogunate to cancel the provisional treaty concluded with the United States, and its issue unmistakably indicates the attitude of the Court nobles in Kyoto, who, feeling themselves strongly backed, ignored the attitude of the Shogunate towards them. In the meantime the American warships came up into the Bay of Edo, dropped anchor off Shinagawa as if to threaten the Shogunate, and requested immediate signature of the provisional treaty, but Edo could not proceed with the negotiations and approve the treaty, which had been submitted to the Imperial Court for approval. To make matters worse, the question of the heir to the Shogun became further complicated, because the Imperial Court interfered. The two contending parties matched one another in intrigue, and while Hotta was in Kyoto the situation became very serious in Edo over the question, but the supporters of Iyemochi were better political tacticians and won over the ladies in the Shogun's Court, who were mostly on their side. So far did this go, that the Lady Honji-in, who was the real mother of the Shogun, declared to the officials of the Shogunate that if Keiki was adopted as heir, she would kill herself. The backers of Iyemochi also found a helper in Ii Naosuke, the lord of Hikone, and recommended the Shogun to appoint Lord Ii the Tairo, or Prime Minister, of the Shogunate, on the ground that at an important time like the present the Shogunate should have its fully authorized Premier. Lord Ii accordingly became the last Premier of the Tokugawa Shogunate. All this was done while Lord Hotta, the head of the Cabinet, was in Kyoto, and he was greatly surprised to find such changes on his return, but he continued to take charge of foreign affairs nevertheless. Lord Ii was a man of conservative ideas, who had objected to Harris having audience with the Shogun, and when he was appointed the Premier he was expected to follow a conservative foreign policy, but by this time the officials of the Shogunate in the foreign office were so well informed about foreign affairs that Lord Ii and other conservative officials could not interfere with them. When Harris requested that the Shogunate sign the provisional treaty at once, these officials recommended that it be done, contrary to the opinion of Lord Ii, who held that the treaty should be signed after it was sanctioned by the Imperial Court. Lord Matsudaira supported the foreign office and declared that the treaty should be signed without regard to the attitude of the Court nobles in Kyoto. The upshot was that the Shogunate dispatched two of its foreign officials, Inouye and Iwase, to Kanagawa, where, with Harris, they signed the Japan-American Treaty of intercourse and commerce, which became the basis for all the other foreign treaties that Japan concluded, and which remained in force till 1894.

IYEMOCHI PROCLAIMED THE SHOGUN.—Ii Naosuke was by no means so black as he has been painted by partisans of the clan of Mito, nor yet so enlightened and far-sighted a statesman as others have claimed for him. He was merely a samurai of an ordinary type and character, but he was also a big lord closely related to the Tokugawa family and faithful to the cause of the Shogunate. His own feelings gave him a traditional distrust of the clan of Mito, which was intensified by the tortuous dealings of Tokugawa Nariaki, and he determined by any means to suppress the political movement of the Mito clan and somehow crush their daimyo. He did not much mind whether Japan should be opened to foreign intercourse or not, but wanted to see the Tokugawa Shogunate prosperous. He was ready to crush anything that stood in his way, and assumed the Premiership simply to carry out this political aim. On May 25th the same year he proclaimed the young Lord Iyemochi, son of the Lord of Kii, as the heir to the Shogun, and on May 27th signed the provisional treaty with the United States and reported it to the Imperial Court of Kyoto. Kyoto was greatly indignant that the treaty with the United States had been signed without its approval, and on July 4th demanded that one of the Cabinet Ministers and one of the lords of the three direct branches of the Tokugawa family should come up to Kyoto immediately to explain the circumstances. Of the three direct branches of the Tokugawa family, the clan of Mito was regarded by Lord Ii as an enemy of the Tokugawa Shogunate, while the clan of Owari was suspected of being in the same boat with Mito, and in order to obviate the influence of the Lord of Mito and his political partners, Ii forced the Lord of Owari and the Lord of Echizen to retire from public life, and imprisoned Nariaki in his own residence at Edo. He was warned by many that it was a risky thing to imprison one so closely related to the Tokugawa, and replied that he was sure to be able to obtain evidence in Kyoto implicating Nariaki, but if not, he would take entire responsibility for what he had done. In spite of the fact that he was in his heart against Japan's intercourse with the foreign countries, Lord Ii had accepted the foreign policy of his predecessor and signed the treaty with the United States, and the foreign affairs of the Tokugawa Shogunate now progressed satisfactorily, for England, Holland, and Russia all came one after another and concluded with Japan a treaty of intercourse and commerce after the form of the one concluded between Japan and the United States. Lord Ii had conceded so far to the progressive element, but was firmly determined not to concede even an inch in any question that might have a fatal bearing upon the future of the Shogunate, the very existence of which was seriously menaced by a triple combination of the clan of Mito, the Roshi of the different clans, and the Court nobles in Kyoto, who were constantly engaged in intrigues against Edo. It was indeed a critical moment for Japan, and the lords were all divided on the course that the Shogunate should take, but suggested a conference of all feudal lords to obtain their co-operation. This would have been a fatal step, for it would have published to the world at large that Edo had no idea what to do and was forced to follow some policy dictated by the daimyo. The Tokugawa Shogunate had no historic background of divine right, nor had any of the Tokugawa Shoguns ever been chosen by the Japanese nation to rule this country. It was by its military power that it was established and ruled Japan for many years, and it could only continue to exist by the policy of the strong hand and sternly crushing all opposing political influences. Lord Ii was right in his firm attempt to crush all the influences that opposed the policies of the Shogunate, instead of being half-hearted, as some of his predecessors had been, for fear of opposition from the lords; but soon after he had commenced his high-handed policy against his political opponents, Shogun Iyesada died suddenly, and Iyemochi, when only thirteen years old, was proclaimed the Shogun. As he was too young to attend to State affairs himself, Lord Tayasu, the brother of the Lord of Echizen, was appointed the Regent, while Lord Ii, as the Premier, directed as dictator all the affairs of the Shogunate. It was rumoured that Iyesada died of poison administered by one of his medical attendants, Rakusen-in, who was said to be in the pay of Nariaki, and Ii immediately dismissed the man, and thereafter took every possible precaution against the spies of Mito in the Shogun's palace. When he himself visited the palace, for instance, he took his own food with him and never ate or drank anything else.

The Imperial Court dependent on the Clan of Mito.—In the meantime the political situation in Kyoto had gone much farther than Edo dreamed of, and the Court nobles and the Roshi became ever more active intriguers against the Tokugawa Shogunate. For hundreds of years the Court nobles in Kyoto had been oppressed by the military class, and had never had a chance to rise against it ; all they could do to maintain their existence had been to intrigue among the militarists and try to fish in these troubled waters. In this game they were far superior to any of the Shogunate officials, and may be compared to a man who will cooly allow a poisonous snake to writhe round his body and kill it the instant it drops. Seeing that the power of the Tokugawa Shogunate was declining day by day, these Court nobles concluded that the time had come for the restoration of Imperial rule, and each expected to play a hero's rôle in the stirring events they foresaw. In this expected revolution they sought military support against the Tokugawa Shogunate, as the Emperor Gadaigo called in Ashikaga Takauji and Nitta Yoshisada to help him against the Hojo, and they found their man in Shimazu, of Satsuma. The Lord of Satsuma had always been ambitious to cut a figure in the political world at Edo and had constantly attempted to get a footing either by bribery or connecting himself by marriage with the house of Tokugawa ; but when they saw that the Shogunate was tottering, the Satsuma statesmen attempted to form a link between the clan of Satsuma and the Imperial Court in Kyoto through Saigo Takamori, a leading man in their clan, who suggested to the Court nobles the issue of an Imperial message authorizing the Lord of Satsuma to advance with a large force against Edo, the seat of the Tokugawa Shogunate. When this was on the point of being issued, unfortunately Seihin, the then able lord of Satsuma, suddenly died. The Court nobles and their friends consulted Kusakabe Isanji as to what to do. He was a Satsuma Roshi connected with their movement, who constantly travelled between Kyoto and Edo and was therefore well informed of the political conditions prevailing. He replied that the Lord of Mito could well take the place of Shimazu Seihin. The

Imperial Court thereupon issued to Tokugawa Nariaki a decree authorizing him to rise against the Tokugawa Shogunate, and forwarded it to him by Ugai Kokichi, a samurai of the clan of Mito.

THE "COUP D'ÉTAT" OF ANSEI.—The Imperial message stated that the Lord of Mito should save the Tokugawa Shogunate out of its difficulties and straighten the policies of the Shogunate by expelling the foreign warships out of Japan and refusing intercourse with the foreign countries. But the true meaning of the letter was that the Imperial Court would appoint as Shogun or military controller of Japan any person, even outside the Tokugawa family, if it thought that he was more powerful or would serve the Court better. The message was really an impeachment of the Tokugawa Shogunate. Edo was greatly surprised to hear of this decree and immediately dispatched two Cabinet Ministers, Lord Ota and Lord Mabe, to the residence of the Lord of Mito, and forbade him to open the letters from the Imperial Court, for it was against all precedent for the Imperial Court to issue a message to any lord direct. Inquiry made in Kyoto from Prince Kujo elicited the answer that he knew nothing about the letter which had been issued by a few of the Court nobles at the request of the retainers of the clan of Mito. This Prince Kujo, then Prime Minister, was in close connection with the Shogunate, and the political manipulators in the Imperial Court took an early opportunity of ousting him from his post, which helped to make it clear to the Shogunate that they could not put an end to the intrigues in Kyoto without getting at the Roshi who were pulling the wires behind the scenes. A *coup d'état* was decided upon, and Lord Mabe went to Kyoto and arrested at once Umeda Genjiro, one of the Roshi there, and made more than a hundred arrests among the political adventurers, though some noted ones escaped. The event is called "the *coup d'état* of Ansei." As a result of their unsuccessful political attempt against the Shogunate such distinguished nobles as Prince Takatsukasa, Prince Konoye, and Prince Sanjo resigned their respective official positions in the Court and became priests, in order to prove that they had retired out of active life. Nobles who favoured the Shogunate were appointed to their vacant posts, and Prince Kujo was again named the Regent. The examination of the prisoners disclosed that the Lord of Mito and the Roshi were involved in the intrigue of the Court against the Tokugawa Shogunate, and of the latter, some were beheaded, some exiled to a distant island, and others deported. Nariaki was imprisoned in his own territory of Mito, while Keiki, his son, was ordered to leave public life and confine himself to his own residence. The chief retainer of the clan of Mito was sentenced to commit harakiri. On the other hand, the Shogunate presented 5,000 ryo of gold to the Imperial Court, increased the annual income of Prince Kujo by 1,000 koku of rice, in addition to 500 bales of rice as his official salary. Twenty thousand ryo of gold were distributed among the Court nobles, both officials of the Court or otherwise. Thus, suppressed and cajoled into good behaviour, the nobles of Kyoto appeared to cease intriguing for a while. In November 1858 Lord Kimura, the Director of Warships of the Shogunate, was dispatched to the United States in the *Kanrin Maru*, accompanied by Katsu Rintaro, later Count Katsu, and five other officials of the Shogunate. In December the same year the Shogunate withdrew the decree which prohibited the Japanese from exporting such arms as swords, spears, etc., and gave a permit to a certain merchant in Edo to deal in imported rifles. All these steps were taken in preparation for Japan's intercourse and trading with the foreign countries, and things appeared to be advancing very tranquilly, but it was on the surface only, and in reality the political situation was assuming a dangerous character.

THE ASSASSINATION OF LORD II.—After he had suppressed the political intrigues in Kyoto, Lord Ii demanded of Nariaki that he surrender to the Shogunate the letter he had received from the Imperial Court. The Lord of Mito discussed the matter with his retainers, who were all divided on the question, and although Nariaki knew that he ought to give up the letter, he could not do so because many of his retainers were strongly opposed to it. He had in the past inoculated his retainers with anti-foreign and anti-Shogunate sentiment, and they were now so strongly opposed to his obeying the orders of Edo that he could not control them, but had to leave the two parties contending with one another. In the meantime, on the 3rd of March, 1860, when Lord Ii was on his way to the Shogun's palace, a gang of several Roshi suddenly fell upon him and killed him on the spot. The assassins were samurais of the clan of Mito, and one of them, Sano Takenosuke, had been indeed once a personal attendant of Nariaki. The event not only deprived the Shogunate of its soul, but put new spirit into the Roshi, for they now realized that they could give a more serious blow to the Shogunate than they had even dreamed of before. The Court nobles in Kyoto, too, plucked up courage and began their intrigues once more. In the meantime the leaders in Edo, such as Lord Kuse, Lord Ando, and others, continued Lord Ii's policy, attempting to keep the Imperial Court on good terms with the Shogunate and to proceed with their policy of opening the country to foreign intercourse. As one means of bringing the Imperial Court and the Shogunate into closer relation, it was planned by Prince Gushi Iwakura, one of the Court nobles in Kyoto, that Princess Kazu-no-miya, a sister of the Emperor, should marry Shogun Iyemochi, and the ceremony took place in October 1861. With all this the activities of the political adventurers did not cease, but in fact became worse. They raided the British Legation at the Tozenji Temple, Takanawa, Edo, attacked Lord Ando outside the Sakashita Gate of the Shogun's palace, and committed many similar outrages against Shogunate officials and foreigners. The whole country was in a state of anarchy, and robberies were committed everywhere, for the Shogunate could not enforce order. Everybody felt that the end of the Tokugawa rule was in sight.

THE CO-OPERATION OF THE IMPERIAL COURT AND THE SHOGUNATE AS PROPOSED BY THE LORD OF CHOSHU.—The high-handed policy of Lord Ii and his party against the intrigues in Kyoto only made the Roshi indignant with the Shogunate and these adventurers, who had gathered in Kyoto from Satsuma, Choshu, and other clans, were now determined to crush the political power of the Tokugawa Shogunate. At this time, however, in spite of the traditional policy of the clan of Choshu to take revenge on the Shogunate, the leading statesmen there did not agree with the Roshi, who advocated the restoration of Imperial rule in the place of the military rule of the Tokugawa Shogunate and the expulsion of the foreigners out of Japan. With the exception of a few young men of high position, only the low-class samurai shared the sentiments and views of the anti-Shogunate and anti-foreign Roshi, and the radical element was confined to petty retainers and the poor, who were not only against Edo but against their own Clan Government too. This radicalism brought a natural reaction in which Nagai Uta, who later played an important rôle in the politics of Japan, was a leader. He knew that the political power of the Tokugawa Shogunate was still strong and could not be so easily crushed, as the radical Roshi imagined, and he held that the internal political troubles Japan was facing all arose from the menace of the foreign countries who could take advantage of internal dissensions, which should therefore be at once composed. The safest possible path for Japan, in his opinion, was co-operation between the Imperial Court and the Tokugawa Shogunate against the foreign countries. For this purpose he suggested that the Shogunate should pay due respect to the Imperial Court, and the latter, of its own initiative, should entrust the Shogunate with the political administration of the country. Nagai convinced the Lord of Choshu and his chief retainers of the possibility of his plan, and, with the whole clan of Choshu behind him, he wanted to act as middle-man between the Imperial Court and the Shogunate, and thus firmly secure the position of Choshu in Japan's politics. His scheme was based on patriotic motives and attracted people greatly, but there were many difficulties. Primarily the Court nobles in Kyoto were eager to strip the Tokugawa Shogunate of its entire political power and restore it to the Imperial Court, and, dreaming of playing dramatic rôles in the coming revolution, they spared no effort to accomplish their ambition. In the second place, the nobles and the Roshi in Kyoto were attacking the foreign policy of the Shogunate not because they regarded it as wrong, but because they wished to arouse popular indignation against Edo. The Court and the Shogunate were entirely different political influences which it was impossible to make co-operate even under the name of patriotism, and the only way was for the two parties to fight it out.

THE POLITICAL CO-OPERATION ADVOCATED BY THE SHOGUNATE'S STATESMEN.—Lord Mori, of Choshu, on the advice of Nagai, presented to the Shogunate a letter in which he set forth his opinion in regard to political co-operation between the Imperial Court and the Shogunate. Getting no answer, Mori personally visited Lord Kuse, one of the ministers of the Shogunate, and stated his views on the situation, to the effect that the Shogunate had been wrong in its recent attitude towards the Imperial Court and did not pay it proper respect and honour, while the people had lost all confidence in the Shogunate. Some ambitious lords were already preparing to take advantage of the situation to the detriment of the Shogunate, he said, and added that if Edo did not alter its attitude towards the Imperial Court, he too might be compelled by the circumstances to take the same attitude as Lord Shimazu, of Satsuma, who was on the look-out to score off the Tokugawa Shogunate. Lord Kuse asked what course Lord Mori would advise the Shogunate to take and was counselled to appoint Lord Shungaku, of Echizen, who was popular with every one, as Premier, to make Lord Keiki a counsellor to the Shogun, and recall to office such able men as Kawaji, Sasaki, and others who had been dismissed at the time of the *coup d'état* of Ansei. Nagai was summoned, and the statesmen of the Shogunate heard his account of the political situation in Kyoto, from which they learned for the first time that the political intrigues of the south-western lords in co-operation with the Court nobles and Roshi in Kyoto against the Shogunate were more advanced and of more serious dimensions than they had imagined. The man who had opened their eyes was dispatched to Kyoto to work for the establishment of a better understanding between the Court and the Shogunate, and there he warned Prince Nakayama, one of the counsellors of the Imperial Court, that the only way of saving Japan out of her difficulties was that the Imperial Court and the Shogunate should co-operate for the restoration of order in the country, and that the discussion of the expulsion of the foreigners, as advocated by the Court nobles and the Roshi, ought to be deferred for the time being. While endeavouring to make the Court accept his proposals he met with strong opposition from such radicals as Katsura Kogoro, later Marquis Kido, Masuda Danjo and Kusaka Genzui of the clan of Choshu, who even attempted to assassinate him. In such leading clans as Mito, Satsuma, Tosa, etc., opinion on foreign policy was divided between the old and the young, the rich and the poor, the high and the low, and the different schools of learning, some advocating intercourse with the foreign countries and others the continuation of the traditional isolation policy. The same was the case with the clan of Choshu, where Nagai and his associates advocated the co-operation of the Imperial Court and the Shogunate in order to maintain the *status quo*, and were strongly attacked by those who advocated the restoration of Imperial rule in the place of the military rule of the Tokugawa Shogunate, and a radical policy against the foreigners. The battle was a stubborn one, but, in spite of the strong opposition and threats of his political opponents in Kyoto, Nagai fought for his mission undauntedly, and finally persuaded the Imperial Court to accept his proposal and agree to the marriage of Princess Kazu-no-miya, the Emperor's sister, with Shogun Iyemochi, the Imperial Court handing to Lord Asano, who came to Kyoto together with Nagai, a message to the effect that the Emperor agreed to the marriage, because he desired that the Shogunate should co-operate with the Court and work for the restoration of order in the country, so that the whole nation could unite against any menace from the outside. With this Imperial message Nagai and Lord Asano returned to Edo.

Excitement among the Roshi.—While the statesmen of the clan of Choshu were working for this alliance between Court and Shogunate, the general political situation became worse and adverse to their plan. Naturally the Roshi of the different clans were keen to avail themselves of the situation for their own political purposes, and particularly so in Kyoto and Osaka. They attempted to attack the castle of Osaka, where the Tokugawa Shogunate kept rice and other provisions for an emergency, assaulted the residence of Prince Kujo, the then Prime Minister in the Imperial Court, who was pro-Shogunate, and then made an attempt on Lord Sakai, the resident of the Shogunate in Kyoto. Violence was now their weapon, and they ignored altogether the authority of the Shogunate. In March 1862 several hundreds of the samurai from different clans gathered in Osaka, just when Lord Shimazu, of Satsuma, with a force of 600 samurai, came up to Kyoto from Satsuma. On his way to Kyoto many of the Roshi suggested to the Prince of Satsuma that he should take up arms against

Edo, but Shimazu advised them not to be hasty and wait and see what he was going to do in Kyoto. The Court nobles there were, of course, greatly encouraged by the appearance of his troops, and the Court at once released all the noblemen who had been imprisoned by the Shogunate at the time of the *coup d'état* of Ansei. Prince Kujo, who was suspected of being pro-Shogunate, was deprived of his office as Prime Minister in the Court, and was succeeded by Prince Konoye.

THE POWER OF THE SHOGUNATE FURTHER DECLINES.—Lord Shungaku Matsudaira, the new Prime Minister of the Shogunate, was sincere and honest and very popular among the officials of the Shogunate, and the people as well, but was neither strong enough nor talented enough to save the Shogunate out of the difficulties into which it was plunged. His only achievement during his tenure of office was a revision of the Sankinkotai system. Formerly the families of the lords had to reside in Edo, where they were held by the Shogunate as hostages, and the lords themselves had to visit Edo every other year and stay for one year in personal attendance on the Shogun. Under the new regulations the families were not obliged to reside in Edo, and the lords had only to visit Edo every third year and stay for three months. This revision of the system on such a liberal scale destroyed the feudal system of the Tokugawa Shogunate fundamentally and helped to overturn the great house. The essence of the feudal system lies in subjugation to authority and the forcible compulsion by which subordinates are controlled. Now by this time the military weakness of the Shogunate had been fully exposed, and it had completely lost its power of controlling the lords; while as the result of Lord Matsudaira's reform, the Shogunate released the hostages, the only means it had of compelling the lords to remain faithful to the Shogun. From this time the decay of the Tokugawa Shogunate went on rapidly. In June the same year Lord Kuse, a minister who represented the party in the Shogunate advocating a strong home policy, was relieved of his office, and the home policy of Edo became more and more conciliatory. On the other hand, the Imperial Court in Kyoto went a step further, and became aggressive. Prince Kujo had been relieved of his office, and both Prince Takatsukasa and Prince Konoye were given again important positions in the Court, the latter being named the Regent. The Imperial Court now directed State affairs on its own initiative without any regard to what Edo might think or say. Thus the Shogunate quickly lost its power, and various clansmen, Roshi and otherwise, gathered in Kyoto, where they discussed political matters unreservedly, and acted just as they liked without regard to the Shogunate, resorting freely to violence. In August the Court ordered Lord Ii to put his retainer, Nagano Shuzen, to death, on the ground that, by order of the murdered Premier Ii, he had worked among the nobles in Kyoto to seduce them into favouring the Shogunate. In September the late Prince Sanjo was made the Minister of the Right as a posthumous honour, and Tokugawa Nariaki was appointed Grand Councillor of State. Since both had worked for the restoration of the Imperial rule, the honouring of these two men indicated the Court's appreciation of what they had done to upset the Shogunate. Lord Naito and Lord Mabe had their respective territories cut by 10,000 koku a year, and were both forced to retire out of active life for obstructing the policies of the Court. Lord Sakai was imprisoned at his own house for having offended the Court while he was Resident of the Shogunate in Kyoto, and Lord Hotta was similarly punished for a similar reason. Lord Kuse had his territory cut by 10,000 koku a year to pay for the offences of his father, a former minister. Ando Rinnosuke was reduced by 20,000 koku a year for the same reason, while his father was confined at his own house. Lord Ogasawara was forced to retire from active life as a penalty for his behaviour while he was the Governor of Kyoto, and Lord Yakushiji was deprived of his annual pension of 700 koku, because his father had associated with Lord Ii. Fifteen other lords were either imprisoned at their houses or prohibited from appearing in public. Lord Ii's followers and other able experienced officials of the Shogunate were driven out of office, with a disastrous effect on public affairs, which naturally were neglected, besides checking the spirit of co-operation among the officials. As these cashiered officials were mostly advocates of a progressive foreign policy, the dismissals seem to have resulted from differences on foreign policy between the Imperial Court and them, but as they were all political opponents of Tokugawa Nariaki, it looks very much like personal revenge. Before the fall of the Tokugawa Shogunate there were many political events such as the political relations between the clans of Choshu and Satsuma, the Hamaguri incident in Kyoto, the Shogunate's expedition against the clan of Choshu, the struggle of the two clans of Aizu and Kuwana against the western lords, etc. But these are all of less importance in regard to the fall of the Tokugawa Shogunate, and it is true to say that the Shogunate fell not at the time of the battle of Toba-Fushimi in the 1st year of Meiji (1868), but practically in 1862, when Lord Shimazu, of Satsuma, with his troops escorted an Imperial messenger, Ohara Saye-mon-no-jo, to Edo. That event indicated that the Tokugawa Shogun, who did not dare to interfere with Lord Shimazu, had lost his political power over the lords. What, then, did deprive the Tokugawa Shogunate of its political power? It was the power of the people combined with other factors, which had grown during the three hundred peaceful years of the Tokugawa rule, that brought about the fall of the Shogunate. Other factors are the military strength of the clans of Choshu, Satsuma, and Tosa, which sided with the Court nobles and other political intriguers in Kyoto against the Tokugawa Shogunate, the political ambitions of the different big clans, the advanced political ideas of the people at large, the political intrigues of the Court nobles in Kyoto, the financial distress of the Shogunate, and the menace of the foreign countries. But besides all these factors there was another, perhaps the greatest in the destruction of the Tokugawa rule, and that was the political ambition of the chief of the clan of Mito, one of the direct branches of the Tokugawa family, who wanted to take the seat of the head of the house in ruling over Japan. Lord Nariaki, of Mito, and his retainers, with that ambition in mind, criticized or obstructed in every way the political actions of the Shogunate, and by so doing exposed its weakness before the other lords and people. Naturally the other lords, who were also equally ambitious politically, took advantage of the situation created by Tokugawa Nariaki and his retainers, and thus the Tokugawa Shogunate was finally destroyed. To sum up, the clan of Mito gave the first and fatal blow to the Shogunate, whereby its weakness was exposed, and the other clans, seeing the Tokugawa rule tottering to its fall, all dashed in to get a share in the booty. Such were the circumstances in which the Tokugawa rule was brought to the ground.

CHAPTER LXXIX

THE QUESTIONS OF CURRENCY AFTER THE OPENING OF JAPAN TO FOREIGN INTERCOURSE

In the treaty concluded between Japan and the United States in March 1854 there is a provision that the American ships shall be supplied with fuel, water, and foodstuffs at the ports of Shimoda and Hakodate. In Clause VII of the treaty it is stated that the Americans are free to purchase the needed goods with money or goods, etc., which was the first time foreigners were permitted to make purchases of Japanese goods with foreign money in Japan. But in Clause VIII of the same treaty it is also stated that when the Americans purchase fuel, water, foodstuffs, coal, and other necessaries in a Japanese port, they shall do so through the local Japanese Government officials at the port, and shall not deal with the individual Japanese, etc. From the last quoted provision it may be inferred that the Japanese Government admitted foreign money into the Government coffers, but not into general circulation. The Japanese Government officials who negotiated with Commodore Perry insisted that they could not alter the traditional policy of the Tokugawa Shogunate, prohibiting foreigners from trading with individual Japanese, and Perry could not persuade them to agree to the opening of their country to foreign intercourse and trade in the true sense of the words, but had to be satisfied for the time being with the opening of two ports, Shimoda and Hakodate, so that foreigners might supply their needs there. He had to leave the question for future negotiations between the two countries, for which purpose the treaty had such provisions as Clause VI that "matters regarding necessary purchases . . . shall be decided after negotiations between the two Governments," etc., and Clause XI that "some officials of the Government of the United States may be stationed at Shimoda," etc.

On the 13th of March Perry's warships sailed from Kanagawa and arrived at Shimoda, when the Shogunate officials at Shimoda attempted to restrict their actions, so that they might not trade with the Japanese there. For instance, the Americans were permitted to land at only two piers, where guards were stationed to examine those landing. Besides, at the request of the harbour control office, a guard-house was put up, and if any American wanted to go outside the enclosure he had to apply for a permit one day beforehand and be accompanied by Japanese officials. When the Americans came into the streets, the Japanese shops and stores all closed their doors, under orders from the Government, and the Americans were not permitted to stay on land overnight. The Shogunate also prohibited the sale to the Americans of copper bars and beef, but permitted the sale of camphor and sulphur in small quantities. Harris, the first American Consul-General to Japan, asked for permission to obtain milk for his own use, and the Government officials replied that they could not supply him with cow-milk as the Japanese did not use it themselves. To a further request that he might get some milch cows and keep them for his own use, reply was made that they could not be spared from field work. Then Harris proposed to import goats from Hong-Kong for their milk, and was told he could bring them in if he liked, but would not be permitted to breed them on the hills in Japan. In all such small matters the Shogunate officials raised objections, in the hope that the actions of the Americans under the treaty might be as much limited as possible. The fact was that though the Tokugawa Shogunate, under *force majeure*, opened Japan to foreign intercourse, yet it did not dare openly to permit individual Japanese to trade with foreigners, for fear of possible opposition from the conservatives. Edo, therefore, tried to introduce trading with the foreigners on the pretext of supplying their ships with necessaries, but the petty officials of the Shogunate, without understanding the true intention of their superiors, concluded that they were instructed to hamper the foreigners trading in Japan as much as possible, raised all sorts of small objections, and gave the strangers great inconvenience. The foreign policy of the Shogunate in those days, therefore, satisfied neither the Japanese people nor the foreigners, and was a failure from either point of view.

A COMPARISON OF THE PRICES OF THE JAPANESE AND AMERICAN GOLD AND SILVER.—From Shimoda Perry, with his fleet, went to Hakodate, and then again returned to Shimoda, and negotiated and concluded the addenda of the treaty with Hayashi and other representatives of the Shogunate. According to the provisions in the addenda, the Americans were permitted to walk within a radius of 7 ri (1 ri is 2·44 English miles) in all directions from the town of Shimoda (at Hakodate within a distance of 5 ri). A provision was also made in the addenda dealing with the methods of selling and purchasing transactions. In Clause IX of the addenda it is stated that when an American wants to purchase goods at any store in the street, he will make a note of the store and the price of the goods he wants to purchase, and send it to the Government office, where he will pay the officials the price and get the goods delivered through them. Thus, under the provision of the treaty, the Americans had to purchase goods through Japanese Government officials, and the delivery was also made through their hands. It was agreed that one dollar of American copper coin should be exchanged with 1 kwan 600 momme of Japanese Zeni coin, but that in the future business transactions between the two nationals should be done in silver coin, instead of Zeni and such coins. At the outset the Japanese delegates proposed to fix the exchange rate of one dollar American copper coin at 1 kwan 200 momme of Japanese Zeni or copper and other small money, but the Americans would not agree. It appears that in their payments at the Japanese Government office at Shimoda the Americans used some Chinese coins which they brought with them. The *Tales of Shimoda* tells us :—

> The Americans bought different kinds of fish, sweet-potatoes, cakes, and so forth, and paid for them in Zeni coins. Their coins were examined every day at the office of the Governor and exchanged for Japanese money. The Zeni coins that the Americans brought are not American coins, but Chinese. The exchange rate for silver was fixed at 16 momme of Japanese silver for one silver dollar.

Ten momme of American silver was rated at 22.5 momme of Japanese silver money circulating in the market, and as one American dollar silver weighed 7.12 momme, it was exchangeable at 16.02 momme of Japanese silver money, but the fraction 0.02 momme was cut. As a matter of fact, the Gimme, or payment in silver, system was not in practice in Edo and other eastern districts in those days, and it appears that one American silver dollar was exchanged in practice with one Ichibu silver of Tempo issue.

Taking one American silver dollar as equal to one Japanese Ichibu silver, the values of the two silver coins compare as follows :—

	Total Weight.	Percentage of Silver Content.	Weight of Silver Content.
American silver	7.12 momme	86·111	6.1311 momme
Japanese Ichibu silver ..	2.3 momme	9·826	2.25998 momme (or about 2.26 momme)

In view of these figures the American delegates insisted that one American dollar silver was equivalent to three pieces of the Japanese Ichibu silver, and said that the Japanese Government could make three pieces of their Ichibu silver out of one silver dollar, but the Japanese delegates in reply stated that since the Japanese money was circulating in the market only because of the Government mark on it, and not on account of its weight, quality, etc., which did not have much to do with the circulation of money in Japan, they could not agree to change the rate. The Americans thereupon declared that in minting the American dollar silver into Japanese coins, the Japanese Government was making a profit of 66⅔ per cent. Next it was agreed that one American dollar gold should be exchanged for 8.36 momme of Japanese silver money then circulating in the market—that is to say, one momme of American gold was equal to 19 momme of Japanese silver money, and that as an American 20-dollar gold piece weighed 8.8 momme, it would fetch 167.2 momme of Japanese silver. One dollar of American gold was then worth 8.136 momme of Japanese silver.

The low price that the Japanese delegates proposed for gold considerably surprised the American delegates. The value of the Japanese silver, with which one American dollar gold was exchangeable, was only 17¼ cents of American silver. In their report to their Government the American delegates say that with one American dollar gold they could get a quantity of Japanese silver worth 52¼ cents, but that if they paid in American silver, it cost about 17¼ cents. Let us compare the Japanese gold money with the American. In those days we had three kinds of gold money in circulation—the Nishu-han, the Tempo Ichibu-han, and the Koban. The Tempo Ichibu-han gold being of an inferior quality could not be regarded as a standard. The Ichibu-han and the Koban, both issued in the era of Tempo, were equal in their quality or in the percentage of their gold contents, and both were nearly the same in their weight per 1 ryo. The Ichibu-han was taken as a standard of the existing kinds of gold money. Assuming that the American gold dollar and the Ichibu-han gold are equal in their quality, let us compare the two kinds of gold money in their weight alone, which is as follows :—

	Quality of Gold Content.
American gold money per dollar ..	1.504656 gram, about .401216 momme
Ichibu-han, one piece	about .42435 momme

Note.—The percentage of gold content is 900 per cent. of the American gold and 567·5 per cent. of the Japanese Ichibu-han gold.

In these circumstances to exchange American gold money for either the Ichibu-han or Koban gold meant a loss. But if anyone imported one dollar of American silver, in accordance with the terms of the first treaty, under which it was agreed that one dollar should be exchanged with one Japanese bu, and exchanged the same for one Ichibu-han gold, there was a profit of about 5 per cent. In those days in the United States the price-ratio of gold and silver was about 15.998 (commonly quoted 16) according to the regulation enforced in 1837. Gold money had unlimited circulation, and although silver money was not a free coinage, the one dollar silver had an unlimited circulation. When American gold or silver money was bought by the Japanese, one dollar gold was at 8.36 momme and one dollar silver at 16 momme. One silver dollar, weighing 23.220 troy-grains, contained about 6.2 momme, and as it was exchanged with 16 momme of Japanese silver, 1 momme of American solid silver was exchanged with about 2.58 of Japanese silver. One gold dollar piece contained about 0.4012 momme, and 1 momme of American solid gold was exchanged with about 20.81 momme of Japanese gold. Therefore, the price-ratio of gold and silver was 8.066 in Japan in those days, which was about one-half of that prevailing in the United States.

The said price-ratio of gold and silver, however, was one applied when the Government purchased gold or silver, but not to coining gold or silver money. When the Ichibu-han gold was compared with the Ichibu-han silver (2.29 momme) in their respective gold or silver contents, their ratio was 5.4.

Sixteen American silver dollars were exchangeable with 256 momme of Japanese silver, and as 1 ryo of Japanese gold was equal to 64 momme of silver, 16 American gold dollars were exchangeable with 4 ryo worth of Japanese silver. If the said 4 ryo were exported in the Ichibu-han silver, 36.15968 momme of solid silver would leave Japan, and in the case of the Ichibu-han gold, 6.7896 momme (ratio 5.4) of solid gold was taken from the country.

No Exodus of Gold and Silver at the beginning.—The comparison of gold and silver being as stated above, one could make a big profit by exporting Japanese gold or silver to the United States. But the Shogunate's policy was to limit the Japanese trade with the foreigners as much as possible, and it did not like the Americans taking Japanese gold or silver money out of Japan. Besides, the policy of the Shogunate was not to permit the Japanese to trade with the Americans openly and freely, but to let them sell to the Americans in limited circumstances for the ostensible reason that they were supplying them with what they wanted for their ships. Consequently the Japanese trading with the Americans in those days was one-sided. In these circumstances it may be said that there was almost no big exodus of Japanese gold or silver to the United States at the beginning of trade relations between Japan and the United States, though there was a small movement of gold and silver between the two countries from time to time.

The Treaty with Holland concluded.—Dounkle Kurchus, a member of the Council of the Dutch Indies, came to Japan as the new chief of the Dutch factory in 1852. His mission was, in the first place, to present to the Government of Japan an official letter from the Dutch Governor-General of Java, to advise Japan to open her country to foreign intercourse, to inform her of the expected visit of Japan of Commodore Perry with his fleet, and to offer to act as a mediator between the Japanese and Perry, if necessary; and, in the second place, to conclude a new treaty between Japan and Holland. After the United States concluded her treaty with Japan, he concluded a provisional treaty with the Japanese Government, and in December the same year a permanent treaty.

Negotiations with Russia.—On the 19th of July, 1853, about one month after Perry visited Uraga, four Russian ships came to Nagasaki, when the envoy of the Government of Russia proposed to negotiate the opening of trade relations between Japan and Russia, also the boundaries in Saghalien. The Governor of Nagasaki received the letters from the Government of Russia presented by the Russian envoy, who requested an official reply from the Shogunate. He was told that owing to the death of the Shogun, which was in July, it could not reply at once, and requested to wait for some time. Accordingly the Russian fleet sailed from Nagasaki for Shanghai, returning on the 5th of December the same year. The Shogunate dispatched Kawaji Sayemonno-jo and Tsutsui Yamashiro-no-kami to Nagasaki, where they met the Russian envoy and handed over the Shogunate's reply, in which Japan asked Russia to postpone any negotiations for some time, on account of the death of the Shogunate. The Russian envoy agreed to the request, and his ships left Nagasaki on the 8th of January, 1854. Throughout their negotiations Kawaji and Tsutsui were always ambiguous in their statements, which were not such as to satisfy the Russian envoy at all; still, he went away with a view of navigating the northern waters, in the hope that while his fleet was there the Japanese Government would determine its attitude towards the Russian proposals. Notwithstanding the ambiguous attitude of the representatives of the Japanese Government, the Russian envoy in the course of his negotiations with Kawaji and Tsutsui got some promise in the form of a memorandum. For instance, Kawaji and Tsutsui gave Pouchatine a letter, containing the following:—

> If Japan opens trade with foreign countries in the future, she will do so with Russia first of all. When Japan concludes trade relations with the other countries in the future, she will not only conclude such relations with Russia, but will accord the Russians the same treatments as accorded to any other countries on account of Russia's propinquity to Japan, etc.

It may be said that in their letter to the Russian envoy, Kawaji and Tsutsui promised to give Russia preferential rights when Japan opened her country to foreign intercourse and trade, and then to give the Russians equal opportunities with other foreigners in Japan. At any rate, Kawaji and Tsutsui succeeded in persuading the Russian envoy to agree to postpone his negotiations with Japan, which was the Shogunate's policy, and they were even proud of their success and correspondingly surprised and even indignant when, on their way back to Edo, they learned that the Shogunate had signed the treaty of Kanagawa with the United States, which was utterly contrary to the instructions to them.

THE RUSSIAN WARSHIPS CAME AGAIN.—After they had sailed from Nagasaki, the Russian warships cruised in the coast waters of the Loochoo Islands and Korea, and returned to Nagasaki again on the 23rd of March the same year. As Mizuno Chikugo-no-kami, the then Governor of Nagasaki, received the Russian envoy in a cold manner, Pouchatine, with his fleet, left Nagasaki on the 29th of March for Aniva, a port in Saghalien. Prior to this, Russia wanted to occupy the southern part of Saghalien, and landed a force of more than sixty men at Kushunkotun on the 31st of August, 1853, where forts were built equipped with big guns for the coast defence of the island. Later the Russian ships were seen cruising between Saghalien and the Kurile Islands. On the 18th of May, 1854, Pouchatine instructed the Russians at Kushunkotun to withdraw all the defence equipments as well as the guards in the port. At the same time a letter was sent addressed to Kawaji and Tsutsui, the Foreign Secretaries of Japan, in which it is stated that since Japan had entered into treaty relations with America she should also do the same with Russia, and if she did so, Russia could settle her border questions with Japan amicably. In the meantime she would withdraw her forces from the southern part of Saghalien temporarily. Pouchatine was about to open negotiations with Japan when war broke out between England and Russia, and the English warships were cruising about the Pacific Ocean with a view of capturing the Russian ships there, and Pouchatine, with his fleet, had to disappear to take refuge at Sourabaya in Java, where they were under the protection of the Dutch. On the 18th of September the same year the Russian ships suddenly appeared off Osaka. Since this was the first time that any foreign warships came near Osaka, the surprise of the Imperial Court in Kyoto and the Shogunate was beyond description. The Shogunate instructed immediately Tsuchiya Uneme, General of the Castle of Osaka, to see the Russian envoy and tell him that as Osaka was not a place for foreign negotiations, he should proceed to Shimoda for the purpose. Accordingly the Russian warships left Osaka on the 13th of October for Shimoda, where they arrived on the following day.

The Treaty with Russia signed.—The Shogunate dispatched both Kawaji and Tsutsui to Shimoda for negotiations with the Russian envoy, and they met in conference at a Buddhist temple in Shimoda on the 3rd of November. On the following day there was a strong earthquake, with subsequent tidal waves at Shimoda, and the Russian warships were so much damaged that they became disabled for any long voyage. But the delegates continued their negotiations, and at meetings held on the 13th and 14th of November they completed drafting the principal points of the treaty, after which the Japanese Government permitted the Russian warships to go to the port of Heda for repairs. Accordingly, on the 26th of November, the Russian warships left Shimoda for Heda, but on their way there they were wrecked and sank, the envoy and his staff and the ships' crews being saved and landed at Heda. The Shogunate then permitted the Russians to build ships there and supplied them with necessary materials. These were the first European ships built in Japan and did a great deal for the development of shipbuilding.

Later, Pouchatine came again to Shimoda and continued his negotiations with Kawaji and Tsutsui, and they signed the first Russo-Japanese treaty on the 21st of December, 1854, the principal points of which are as follows :—

> *Clause* 2.—That the line of border between Japan and Russia shall be between Etrov Island and Urup Island, and that the whole be Japan's possession, and the whole of Urup and all the other Kurile islands north of Urup shall belong to Russia, and that in the Island of Saghalien the conditions shall remain the same as before, and no boundary line shall be drawn between Japan and Russia in the island.
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> *Clause* 3.—That Japan shall open Shimoda, Hakodate, and Nagasaki to the Russians, to whom Japan shall supply any fuel, water, foodstuffs, etc., which the Russians may want at these three ports, and will supply coal, too, if there is any.

The Treaty with England signed.—On the 15th of August, 1854, the battleship *Winchester* and three other English warships came to Nagasaki with a view of driving the Russian warships out of the port, when Admiral James Sterling presented a letter to the Governor of Nagasaki in which he said that England and France were at war with Russia, and that Russia harboured designs not only on the Kurile Islands and Saghalien, but also on the main islands of Japan, and asked for Japan's permission for the English ships to enter her ports. The matter was immediately reported to the Shogunate in Edo, and on the 13th of August Lord Mizuno and

Nagai Iwanojo, on behalf of the Japanese Government, had a meeting with Admiral Sterling, as a result of which the delegates of the two countries signed the first Japan-English treaty of intercourse and trade on August 23rd. The principal points were that Japan should open to the English the ports of Nagasaki and Hakodate, where they would be allowed to repair their ships and get supplies of fuel, water, foodstuffs, and other necessary articles. In the course of these negotiations the Japanese delegates promised that Japan would allow France, England's ally, the same terms of treaty as England, and that the English should receive the same treatment accorded to any other nationals in Japan. On the 29th of August the English warships sailed from Nagasaki.

Harris negotiated with the Japanese Government a Revision of the Rates of Exchange.—In accordance with the provision in the Japan-American Treaty of 1854, that the United States would have her Government representatives stationed in Japan, Townsend Harris was dispatched as Consul-General, arriving at Shimoda by the *San Jacint* in July 1856, with an autograph letter from the President to the ruler of Japan. Harris was born in the State of New York, and had been engaged in Far Eastern trade for many years. He first visited Siam, where he concluded a treaty of commerce, and then came to Japan, where his principal mission was to revise the first Japan-American Treaty signed between Perry and the Japanese Government. The Shogunate really did not like to have any foreign Government official stationed in Japan, because it was afraid that it might arouse the indignation of the conservative element of the nation, but it could not refuse the privilege to the United States, for such was one of the stipulations in the first Japan-American Treaty. The opinion of the leaders of the Shogunate, therefore, was that Harris should be permitted to stay in Japan *pro tem.*, but the officials who were in actual charge of foreign affairs opposed this conservative opinion, and held that Harris should be permitted to stay permanently and regarded as the official representative of the United States Government with full authority from his Government in accordance with the stipulations of the treaty with the United States. Their views won the day, and the Gyokusenji Temple, in the territory of the Shimoda clan, was offered to Harris for his official residence and office. At the same time, the Shogunate instructed its representative in Kyoto to report to the Imperial Court on the circumstances in which the Shogunate agreed to the official representative of the United States staying in Japan in accordance with the terms of the treaty between the two countries, in the hope that the nobles of the Court in Kyoto might not be misinformed or misled by the conservative element, for there was great fear of the political opponents of the Shogunate taking the opportunity to make trouble in the Imperial entourage. Harris was not satisfied to be treated by the Japanese Government as merely a consul and asked to be received in audience in Edo by the ruler of the country, to whom he wanted to present his letter from the President of the United States and at the same time negotiate with him in person. The officials of the Shogun's Court were willing to agree, going on the precedent of the audience granted to Dutch captains, but there was great opposition, and it was proposed that the Governor of Shimoda, on behalf of the Shogunate, should receive Harris. Harris refused to negotiate with him or hand to him the letter from the President of the United States, saying that the Governor of Shimoda had no authority to decide the matters that Harris was going to take up with the Japanese Government. Matters were thus at a deadlock, until the Japanese Government agreed in July 1857 that Harris be received in audience by the Shogun in Edo. But in the meantime the envoy negotiated with the Governor of Shimoda on such questions as the rates of money exchange between Japan and America, extra-territoriality, etc., and made up a memorandum, which was published under date of the 26th of May, 1857. Prior to the issue of the memorandum, one American silver dollar had been exchanged with one piece of Ichibu-han silver, which in its turn was exchangeable with 1 kwan 600 mon of Zeni coins. But Harris declared that this rate of exchange was unreasonable against American money, and that the high price of commodities prevailing in Shimoda in those days were entirely attributable to this unreasonable rate of exchange. On account of this rate of exchange, when they bought Japanese merchandise in Shimoda, the Americans had to pay, he said, 66 per cent. more than the actual price of the food, for one American silver dollar piece weighing as much as three Japanese Ichibu-han silver, was really equal to 4 kwan 800 mon of Zeni coins. With this idea in mind, Harris started negotiations with the Japanese Government for a revision of the said rate of exchange one month after his arrival, and was in conference several times on the question. He said that although it was stipulated in the Japan-American Treaty that Japanese currency silver should not be handed to the Americans, yet the Americans referred to were individual Americans, and the stipulation should not be applied to the American Consul-General, representing the American Government. At first, when gold and silver were exchanged with the Japanese in Shimoda, Japanese money was paid to the Americans at the rate of about three pieces of the Ichibu-han silver, and at Hakodate one American silver dollar was exchanged for exactly three pieces of the Ichibu-han silver, but later on the 1 dollar equal to 1 bu silver rate of exchange was adopted. This rate of exchange was unreasonable, because the Japanese Government agreed that it would supply the Americans with Japanese merchandise at the same prices as between the Japanese themselves. He requested, therefore, that when the Americans exchanged their own gold or silver they should be given the same weight of Japanese gold or silver, and proposed a discount of 5 per cent. on American gold or silver to pay for its recoinage into Japanese currency. But the officials of the Shogunate would not consent to the exchange of money by weight, insisting on exchange by counting numerically. Harris said that although an exchange of three pieces of the Ichibu-han silver for one American silver dollar meant a 5 per cent. loss, yet he would agree to this rate of exchange, and Lord Inouye, Lord Okada, and Iwase Shuri, who negotiated with him on the question, regarded his proposition as very reasonable, and suggested it should be accepted. The other officials in charge of the foreign affairs of the Shogunate were of the same opinion, but the ministers of the Shogunate did not act upon their suggestions, and left the matter undecided. In October 1856 Harris requested the Shogunate to decide the question quickly, but could get no definite answer. In the meantime, however, the Japanese Government lifted the ban on the direct exchange of American money with Japanese money, as stipulated in the first Japan-American Treaty, as far as the American Consul and his staff officials were concerned, as requested by Harris, and in January 1857 issued instructions to the Governor of Shimoda to that effect.

The Stipulations concerning Money in the Japanese-American Treaty.—In spite of the attitude of the Shogunate, Harris did not abandon hopes of gaining his end concerning the rates of exchange for gold and silver, and laid stress upon Article IX, or the most-favoured nation clause in the Japanese-American Treaty. That is to say, he wanted to secure for the Americans those rights and opportunities that Japan granted in her country to the Russians and the Dutch in her treaties with these two countries, but which were not stipulated for in the Japanese-American Treaty of Kanagawa. He presented to the Japanese Government a statement on the treatment that the Americans desired to receive in Japan, and insisted strongly that his views be met by the Japanese Government. The Governor of Shimoda accepted in principle, and made up a memorandum upon that basis. When the memorandum was signed, the Governor requested Harris to hand to him the autograph letter from the President of the United States addressed to the ruler of Japan, but Harris refused on the ground that the Governor could decide nothing himself.

The Shogunate, therefore, at last agreed to Harris being received in audience by the Shogun in Edo on the 21st of October the same year, and while there he had a meeting with the statesmen of the Shogunate, at which he spoke of the political conditions of the world, and emphatically set forth why Japan should open her country to foreign intercourse immediately. His speech moved the conservative element a great deal as well as the progressive party in the Shogunate, and negotiations were started with him for a revision of the first Japanese-American Treaty. A draft drawn up by Harris was made the basis of negotiations, and after thirteen meetings lasting from the 11th of October, 1857, till the 12th of January, 1858, a new treaty was signed between the two countries. The treaty, known as the Japanese-American Treaty of Ansei, was in force till 1894, the 27th year of Meiji. In the new treaty Article 5 deals with money, and the original draft of this clause, as prepared by Harris, permitted the exchange of Japanese money with American money, but prohibited the export of Japanese money out of Japan. Had this clause been adopted as originally drawn, there would have not been such a vast outflow of Japanese gold and silver in 1859.

THE CIRCULATION OF FOREIGN MONEY IN JAPAN PERMITTED.—The clause as finally drawn up permitted the circulation of foreign money in Japan, and consequently in later years Mexican silver flowed into the country to a grave extent. In the second place, Japan agreed that Japanese gold could be exchanged with foreign gold of an equal weight and Japanese silver with foreign silver of an equal weight, and, in the third, prohibited the exportation of Japanese copper coin but not of Japanese gold or silver out of Japan, which, owing to the difference in the price-ratio between gold and silver in Japan and America, resulted in stimulating the outflow of gold and silver from this country. During the negotiations the political troubles in Japan increased in dimension, and the ratification of the Japan-American Treaty was postponed several times in consequence. It was only on the 19th of June that the Shogunate ratified it in the face of strong opposition from the conservative element of the nation. Later, Japan concluded with Russia, Holland, and France treaties of the same terms and character, though in the treaty with France the clause concerning the exportation of gold and silver more or less differed from that in the Japan-American Treaty.

CLAUSE XII IN THE JAPANESE-FRENCH TREATY AS REFERRED TO RAN AS FOLLOWS :—

> The circulation of foreign money shall be permitted in Japan, and when foreign money is to be exchanged with Japanese money, gold shall be exchanged with gold and silver with silver.

In business transactions with the Japanese, the French shall be permitted to use foreign money as well as Japanese money.

Since the Japanese are not yet familiar with foreign money, for the time being, following the opening of the ports, the local Japanese Government at the port shall be in charge of exchanging foreign money with Japanese money for the French. The French are permitted to take out of Japan Japanese currency gold or silver, but are forbidden to take out of Japan Japanese copper coin, or gold or silver metal in some other form than a coin.

THE JAPANESE CURRENCY AT THE TIME WHEN KANAGAWA WAS OPENED TO FOREIGN TRADE.—In such circumstances the Tokugawa Shogunate concluded treaties with the United States and four other countries, whereby the ports of Japan were opened to trade with these five countries. We have now to see what effects these treaties had upon the currency and economic system of Japan in those days. For thirty years, from 1736, when Shogun Yoshimune revised the currency of the country, till 1765, the currency coins were the Genbun-kin gold, Genbun-Chogin silver, and copper and iron Zeni coins. But in 1765 the Shogunate issued the 5-momme silver, and in 1767 decreed that without regard to the market price of silver, twelve pieces of the 5-momme silver should be equal to 1 ryo of gold. Thereafter, silver coins, too, were counted by number, instead of weight as before, and at the same time Japan had a double-standard currency system established in her country. In 1772 the Shogunate issued the Nanryo silver, decreeing that eight pieces of the said silver should be equal to 1 ryo of gold, and at the same time withdrew the 5-momme silver from the market. In 1788 the Nanryo Nishu-gin silver was officially decreed to be permanent currency. Thereafter, with the exception of Osaka, where the people still adhered to their old commercial customs, the silver-standard system was discontinued, and both gold and silver equally circulated, counted in ryo, bu, and shu, as already stated elsewhere. Forty-five years later, with a view of saving itself out of its financial difficulties, the Shogunate revised both gold and silver coins circulating, and as a result the kinds of coins circulating considerably increased and Japan's currency system became chaotic. We have in 1818 the Shinji Nibu-kin gold; in 1819 the Bunsei-kin gold; in 1824 the Bunsei Isshu-kin gold and the Shin Nishu-gin silver, the latter being of the same quality as the Nanryo Nishu-gin silver, but of less weight; in 1828 the Sobun Nibu-kin gold; in 1829 the Ko Isshu-gin silver. Then in 1832 the Shogunate issued the Ko Nishu-kin gold, and in 1827 the Hojo-kin gold, the Ko Ichibu-gin silver, and the Goryo-han gold; and as a result the gold or silver coins issued during the era of Bunsei were either discontinued or withdrawn gradually. Thus for a while there were many kinds of coins in circulation, but of these the Goryo-han gold was too heavy for daily use, and its circulation was limited, the Bunsei gold and the Shinji Nibu-kin gold both being of a specially good quality were hoarded and disappeared from the market, and those were most commonly used were the Hojo-kin gold, the Ko Nishu-kin gold, the Bunsei Isshu-kin gold, especially the Ichibu gold. When the Shogunate erected the forts off Shinagawa in 1853 it issued the new 1-shu silver to cover the necessary expenses in connection with construction, and the new silver pieces were circulating in the market in January 1854. Then, in 1856, the Government issued the Nibu-han gold.

THE BIG LOSS ARISING OUT OF IGNORANCE.—The evils arising out of the ignorance of the Government officials of a country, and the consequent maladministration, can be concealed to a certain degree as long as that country has nothing to do with any other and is isolated from the rest of the world, but will be disclosed as soon as that country comes in contact with another, which is beyond the reach of the power of its statesmen. The Tokugawa Shogunate, on account of the ignorance of its statesmen, plunged into financial difficulties, and in order to save itself regulated the price-ratio of gold and silver whereby the silver coins began to be counted by number, instead of by weight as before, and a certain number of the Ichibu-silver pieces went to 1 ryo of gold. This was a great change in the currency system, and the Shogunate should have devoted special attention to currency when Japan entered into trade relations with the other countries, but being without sufficient knowledge to guide it in this respect, it opened the country to foreign trade without taking any special measures in this connection, and the results of this ignorance were quickly felt. After Japan concluded treaties of intercourse and trade with the United States and other countries, she was under the obligation of exchanging foreign money brought by these nationals into Japanese current money. Now, the American silver dollar weighed about three times as much as one piece of the Japanese Ichibu silver, and if exchanged according to weight, as it was, one American silver dollar was worth three pieces of the Ichibu silver. On the other hand, according to the currency system in Japan in those days, four pieces of the Ichibu silver were exchangeable with 1 ryo of gold. If an American presented four dollars in American silver, he could get in exchange twelve pieces of the Japanese Ichibu silver, and for these twelve pieces of the Ichibu silver he could get 3 ryo Japanese gold. This means that the American obtained 3 ryo of Japanese Koban gold in exchange for four dollars of American silver, which was remarkably disadvantageous to the Japanese, but is what actually happened. The Japanese people had pretty fair knowledge of gold and silver, and when Japan opened her country to foreign trade the price proportion between gold and silver in the market in Japan was about the same as that prevailing in Europe. But the Tokugawa Shogunate issued various kinds of silver coins, which were circulated by force of law at unreal values, and made use of the " profit " from re-minting to cover its financial deficits. Naturally there arose a marked difference between the piece proportion of gold and silver bullion in the market and that fixed for gold and silver coins by the Government legally. The foreigners were quick in seizing opportunities thus offered and bought first Japanese silver with American silver, and then Japanese gold with Japanese silver, and thus a large amount of Japanese gold money found its way out of Japan. In this matter the Tokugawa Shogunate exposed its twofold ignorance. In reality, four pieces of the Ichibu silver were not worth 1 ryo of gold, although they could be exchanged for it. On the other hand, the Shogunate, in its treaty with the United States, agreed that American silver money might be exchanged with the same quantity of Japanese silver, and pass for the same value as the same quantity of Japanese silver coin, without realizing that American silver money was no more than silver bullion in Japan, and should be valued as silver bullion but not money.

THE ANSEI NISHU GOLD ISSUED FOR TRADE FACILITIES.—It may be said that the statesmen of the Tokugawa Shogunate were entirely ignorant of all this, but they did know that the value of Japanese silver money, as fixed by state law, was higher than the price of silver metal in the market. When they negotiated with Perry about the rate of money exchange between Japan and America, they estimated the value of American silver according to the prevailing price of silver in the market, and it was agreed between the two countries that one American dollar silver piece should be exchanged for 16 momme of Japanese silver. The same principle was adopted in the Japan-Holland Treaty, which was concluded later, in which it was agreed that 1 guilder of silver should go to 6.25 momme of Japanese silver. But in those days the United States had a double-standard currency system in her country, and when he took up the matter for negotiations with the Japanese Government, Harris objected to the first Japan-American agreement, whereby American silver was to be exchanged with Japanese silver money according to the market price of silver bullion, and after negotiations he persuaded the Japanese statesmen to agree to a rate of one American dollar silver for 3 bu of Japanese silver. As soon as this agreement was enforced, the amount of Japanese gold money taken out of Japan quickly increased for the reasons already set forth. The statesmen of the Shogunate were aghast, and in 1858, at the suggestion of Lord Mizuno, who was then the Foreign Secretary, the Government issued a new silver coin called the Ansei Nishu-han silver mainly for the purpose of foreign exchanges, which weighed more than other Japanese silver of similar value circulating in Japan ; in other words, the legal value of the said silver coin was about the same as the market price of silver in Japan. The coin weighed a little more than the Nishu silver, issued in the era of Anyei, two pieces being about the same as one American silver dollar, and the Japanese Government's intention was to exchange one American dollar silver for two pieces of it, or 1 bu. By this time, however, all the foreign representatives and individuals in Japan knew that they could get 3 bu for one American silver dollar, and they concluded that the Japanese Government had issued the new silver coin of a better quality with a view to bringing down the exchange value of foreign money in Japan, thereby putting the foreign residents in Japan in the position of purchasing Japanese goods at higher prices. At the same time the necessary expense of the making of the new coin was heavy for the Government in its difficult financial circumstances, and after issuing about 80,000 ryo it was compelled to discontinue it.

THE ISSUE OF THE "DORO-GIN" SILVER.—The old Ichibu-gin was now the only Japanese silver money which could be exchanged with foreign silver money, and, according to the Japan-American Treaty, 100 American silver dollars went to 311 Japanese Ichibu, which was very disadvantageous to the Japanese. In the hope of bettering this a decree was issued to permit the circulation of foreign silver money in the market, with the idea that in the market the foreign silver coins, like the Chogin silver, might be exchanged at the market price of silver. In those days, in the open market, one American silver dollar fetched about 25 momme of Japanese silver, and calculating that 60 momme of silver equal 1 ryo of gold, one American dollar meant about 2½ bu of Japanese gold. The foreign merchants noticed at once that they would lose if they exchanged their silver money with Japanese silver in the market, and preferred to exchange it with the Shogunate, where they could get the exchange rate stipulated for in the Japan-American Treaty, and far better for them than any they might get in the open market. They appealed to their consuls to interfere, and the latter took the matter up with the Japanese Government, and after negotiations the Government agreed to exchange foreign silver money with Japanese silver for foreign merchants at the office of the Shogunate. A large quantity of foreign silver was exchanged with the Japanese Ichibu silver at the Government exchange office every day, and the foreigners with this silver bought Japanese gold money, which they subsequently took out of

Japan. Naturally the demand increased for the Ichibu silver, and the Government issued a silver coin called the Ansei Ichibu silver for the purpose of exchange with the foreign silver. The new coin was made out of the foreign silver in its original quality, and, compared with the old Ichibu silver issued in the era of Tempo, was a little heavier but of far inferior quality, the quantity of silver being less. This new coin was commonly called " Doro-gin " (mud silver). In spite of this issue, the exchange of foreign silver with Japanese silver continuously increased. The Japanese Government could not meet the foreigners' demands satisfactorily, and again permitted the circulation of foreign money in its original form, to be exchanged with Japanese silver in the market according to weight. The Shogunate also permitted the people to pay taxes to the Government in foreign money, at the same time assuring its free circulation in Japan. Furthermore, in December the same year a promise was made to Harris that the Government would send 10,000 pieces of the Ichibu silver (to the total value of 2,500 ryo) each month from Edo to Kanagawa for the purpose of exchange with foreign money.

HARRIS ADVISES REGARDING THE LOW PRICE OF GOLD.—Though as a result of the Japan-American Treaty, Japanese gold money was taken out of Japan by the foreigners to a large amount every year, entailing upon Japan a large loss, it is not true that Harris attempted to take advantage of Japan, even by deceiving the Japanese statesmen with whom he negotiated, of which he has been accused by some. On the contrary, throughout his negotiations Harris always took a friendly attitude and gave the Japanese Government his honest advice. For instance, he pointed out to the Japanese statesmen that the legal price of Japanese gold money was rather too low compared with that of silver, and suggested they raise the legal price of gold money to the same point as that of silver. He also recommended that the American silver dollar should be stamped with a Japanese Government mark guaranteeing that it was a genuine currency, which he was sure would cause the coin to circulate freely as the equivalent of 3 bu.

THE FOREIGN SILVER DOLLAR STAMPED.—Even before Harris tendered his advice the Japanese Government had known that their gold coins were too low valued, and his counsel caused the Government officials to feel more keenly about it, but as it was not easy to bring up the value of gold coins, his suggestions were not carried out in this respect. The foreign silver dollars, however, were stamped on his advice, but the policy failed after all, for the foreign silver coins bearing the official stamp were valued at less in the market than those without the stamp. The merchants did not care to take the stamped foreign coins, for they had to accept them at 3 bu each, but in exchanging for Japanese silver they had to pay a discount rate. For this reason the stamped foreign silver coins did not circulate as desired by the Government, and in May 1860 the system was given up. At the same time the Government decreed that foreign silver coins, like the Chogin silver, either with or without the official stamp, should be taken according to the prevailing market prices. Thus while the Government discontinued the compulsory circulation of the foreign silver coins bearing the Government's stamp, incidentally recognized practices of exchange on the prices of foreign silvers, with subsequent increase in speculation.

The Inflow of Foreign Silvers.—Thus for the first year following the opening of the country to foreign trade the principal efforts of the Japanese Government in regard to currency were directed towards keeping up the price of foreign silver coins circulating in Japan, but in spite of all they could do the price constantly fell, for there were many eager to get the Japanese silver bu in exchange for foreign silver dollars, and then to purchase Japanese gold coins with the bu in order to export it. The Government's attempts to keep the foreign silver dollar at the same price as the Japanese bu silver only resulted in a flooding of the market with the former, with a subsequent result of the increased exodus of Japanese gold coins out of Japan. At the same time the price of foreign silver continuously went down, and the foreign ministers resident in Japan, in order to avoid the danger arising out of the constant fluctuations in the prices of dollars, requested the Japanese Government to exchange foreign silver for Japanese silver according to their first agreement, even after it had run for the year for which it was made. Accordingly, the Japanese Government had to go on paying 311 Ichibu for 100 of foreign silver dollars.

A Comparison of the Japanese Gold and Silver Coins with the Foreign in those Days.—The foreign silver coins that were brought to Japan in those days were at first the American silver, which was a current money in the United States, but, later, Mexican and Hong-Kong silver coins also appeared on the Japanese market, and many of these foreign silver pieces had been clipped by cunning Chinese merchants and weighed less than they should have done. Compared with the American silver, the Mexican coins were so inferior in their quality that 100 pieces of the Mexican silver were exchanged with 90 pieces of the American silver money, the quality of the Mexican silver being 861·21 per cent. Of the American dollars the one made after 1875 weighed 7.136 momme, and its quality was 900 per cent., one made previous to that year being of 892·43 per cent. quality. The Ansei Ichibu silver, which was made mostly out of these foreign silver, was 844·6 per cent. quality, from which it may be inferred that most of the Ansei Ichibu silver coins were not made from the American silver dollar, which was of the best quality among the foreign silvers circulating in Japan in those days.

As it was stipulated in Japan's treaties with the foreign countries that Japanese silver coins, without regard to their qualities or the quantity of genuine silver in them, should be exchanged with foreign silver according to weight, Japan had to give 311 pieces of the Ichibu silver for 100 foreign dollars. Accordingly, when the exchange rate was 1 ryo 1 bu against 1 ryo of the Hoji-kin gold, in the case of the old Nishu gold the foreigner got 622 pieces of the coin, or 77 ryo 3 bu, which were worth $230·2644; in the case of the Ansei Nibu gold they got 155½ pieces of the coin, or 77 ryo 3 bu, which were worth $150·25965; and in the case of the Seiji-kin gold, 77 ryo 75 (3 bu), which were worth $274,843.

The Great Exodus of Japanese Gold.—As the calculation given above indicates, a foreigner made about a 137 per cent. profit in exporting in the way described above, the Japanese Koban or old Nishu-kin gold, and about 50 per cent. profit in taking out the Ansei Nibu gold. No wonder that a large amount of Japanese gold money was taken by the foreigners out of Japan in those early years of Japan's foreign intercourse and trade. The author of the *Financial History of the Meiji Era* declares that the Japanese gold money taken out of Japan in that way in those years was mostly the Nibu-han gold, but that was not necessarily so. As a matter of fact, the Nibu-han was not the only gold money circulating in the market then. From the amount of the different kinds of gold coins originally issued by the Shogunate, and then the amount of these coins withdrawn by the Shogunate in exchange for the current money, it is supposed that there were in the market in those days about 3,630,000 ryo of the Hojo-kin, 3,120,000 ryo of Old Nishu-kin, 2,370,000 ryo of the Ansei Nibu-han gold, and 90,000 ryo of the Seiji-kin; anyway, there was a large amount of gold coins other than the Nibu-han gold still left on the market. Of course it may be true that most of these old coins were hoarded by the people and were not actually circulating, but some of them must have been. The Japanese gold coin exported were no doubt mostly Koban and Ichibu-kin gold.

The Export Business of Gold and Silver.—The Shogunate Government, by its treaties with the foreign countries, admitted the exportation of Japanese gold and silver, and was then surprised by the quick exodus of gold and silver coins, which it had not anticipated and attempted to interfere. In 1859 the following public notice was issued :—

Since the port of Kanagawa was opened to foreign trade, the foreigners resident there have desired to get the Koban gold both new and old, and as a result the prices of the commodities purchased therewith have gone up specially high. It is learned the foreigners resident in Yokohama often come out into the Japanese town for the purpose of purchasing the Koban gold there, and the Japanese merchants in the Japanese quarters, too, seeing the foreigners anxious to get the Koban gold, collect these gold coins with a view of using them in their transactions with the foreigners. If that state of affairs continue, the Japanese gold will gradually be taken by these foreigners out of the country, which is outrageously against the interests of Japan. The headmen in each street should, therefore, call the attention of the people in their respective streets to this matter, so that they will not act in the manner above described against the interests of their country.

July 8th.

Besides, the Shogunate by a decree included in its list of contraband swords, copper rods, and gold and silver. But nothing was of any effect, for the people, knowing that the Government by its treaties with the foreign countries recognized the exportation of gold and silver out of Japan, did not hesitate to collect gold coins for the purpose of selling them to the foreigners for good prices, and paid no attention to the Shogunate's decrees. The amount of gold exported decreased after all on account of its high price in the market. The price of the Koban, a piece of which could be bought for four pieces of the Ichibu silver, went up to seven, and as one dollar was exchangeable with three pieces of the Ichibu silver in those days, 1 ryo of the Koban gold, calculated on that basis, was worth twenty-one pieces of the Ichibu silver.

THE DOUBLE-STANDARD SYSTEM ABOLISHED.—In these circumstances the only means left for the Shogunate was to adjust the price proportion of gold and silver, as suggested by Harris, and with this end in view the Shogunate issued a new Koban gold in 1860. In the new coin the percentage of gold contained was made smaller, so that the price of gold money might be brought to the point where it would compare properly with that of silver, the price proportion to be the same as that between gold and silver metal in the world market. The double-standard system of currency, which had been in operation since the time of Ansei, was thus discontinued. The intention of the Shogunate was to stop the exodus of gold and decrease thereby the demand for the Ichibu silver, and at the same time bring up the market price of foreign dollars, which would result in less exchange of the foreign silvers with Japanese silver and a consequent saving to the Government. Contrary to the Shogunate's expectation, the policy failed. In itself it was all right, but the Tokugawa Shogunate by that time had neither ability nor credit sufficient to withdraw all the old gold coins in circulation and re-mint them according to the new standard. The old gold coins, therefore, circulated side by side with the new and continued to be taken by the foreigners out of Japan. On the other hand, the fact that there were so many kinds of coins circulating in the market gave the counterfeiter his chance, and certain foreigners counterfeited the Japanese Ichibu silver in Hong-Kong, and brought it to no small amount into Japan for exchange with Japanese gold. Seven years after issue of the new Koban, the finances of the Tokugawa Shogunate were in chaos, and the Shogunate itself lost its political power.

CHAPTER LXXX

FROM THE COMPROMISE BETWEEN THE IMPERIAL COURT AND THE SHOGUNATE TO THE EXPEDITION AGAINST CHOSHU

The "Rapprochement" of the Imperial Court and the Shogunate. While the Choshu clan, through Nagai Uta, was working for a *rapprochement* between the Imperial Court and the Tokugawa Shogunate in the interest of the country, the clan of Satsuma, by the efforts of its Roshi, actually brought about a combination of the two political influences in Japan, thus stealing a march upon Choshu, to the no small indignation of that clan. This sentiment of discontent grew until the general political opinion of the Choshu clan changed from advocating a political combination of the Imperial Court and the Tokugawa Shogunate to the restoration of Imperial rule in the place of the military rule of the Tokugawa, and the expulsion of the foreigners out of Japan—in short, a conservative foreign policy. The malcontents sent letters to their political associates in Kyoto and Edo, denouncing the actions of Nagai and his friends and asserting that Nagai's aim was to save the Tokugawa Shogunate out of its political difficulties, under the beautiful name of a political combination of the Imperial Court and the Shogunate, and to assist it in submitting to the demands of the foreign countries and opening Japan to foreign intercourse and trade.

Attempt to postpone the opening of Japan to Foreign Intercourse.—In November 1860 Princess Kazuko, sister of the Emperor Komei, married Shogun Iyemochi, and Kyoto and Edo seemed to be on friendly terms; while there were indications that the Imperial Court might approve the foreign policy pursued by the Shogunate. On the night of the 5th of December, 1860, however, Heusken, an American interpreter in the employ of the representative of Prussia, was assaulted by some Roshi of the Mito clan in Edo, and later the Roshi attacked the British Legation, on which occasion interpreters attached to the Legation were wounded and seven Roshi were killed by the Japanese guards. Ando Tsushima-no-kami, who then directed the foreign affairs of the Tokugawa Shogunate, was greatly disturbed and thought that if he forced the opening of further Japanese ports of foreign trade, according to the terms of the treaties, serious events might occur and Japan be placed in a very awkward position. On the 22nd of December, therefore, he dispatched three officials of the Shogunate—Takeuchi Shimotsuke-no-kami, Matsudaira Iwami-no-kami, and Kyogoku Noto-no-kami—to France, Holland, Russia, England, and Portugal to negotiate with the Governments of those countries for a postponement of the opening of the other Japanese ports to foreign trade which was called for by the treaties, according to the terms of which Japan had within two years to open to foreign trade four more of her ports, namely Edo, Osaka, Hyogo (present Kobe), and Niigata, in addition to Nagasaki and Hakodate, already opened. Just about the time when these three envoys reached France, Ando Tsushima-no-kami was attacked in Edo by Roshi and wounded, but wounded as he was he kept a bold face and saw the British Minister at the appointed hour on the same day, told him of the political conditions in Japan, which did not favour an immediate opening of further Japanese ports, and asked him to help him in postponing the opening of the other ports for the time being. The British minister was so much moved by Ando's gallantry that he immediately took the matter up with his Government, and as a result England agreed to the postponement of the opening of the additional ports for five years on the condition that Japan would lower the rate of duty upon glass wares and liquids imported into her country from England. France, too, following England's example, agreed to the postponement in return for a reduction in the rate of duty upon French wines. The three Japanese representatives dispatched to Europe reached the Red Sea by land via Alexandria, and from there returned home by a French warship. To their great surprise they found Ando not only dismissed, but even punished for what he done while in office, and offered as a sacrifice to help on the movement for a political combination of the Imperial Court and the Shogunate. In such circumstances the efforts made by Lord Ando and his official associates in Japan's foreign dealings brought about no change at all in the political situation in Japan.

THE POWER AT THE IMPERIAL COURT FALLS INTO THE HANDS OF THE ANTI-SHOGUNATE PARTY.—The political aim of the Roshi gathered in Kyoto was to destroy the political power of the Tokugawa Shogunate and to restore the Imperial rule, and they were little scrupulous as to the means they employed to accomplish their aim, such as causing troubles with foreign countries and embarrassing the Shogunate. The anti-Shogunate Choshu men shared the political aims of these Roshi in Kyoto, and seconded their movement; and as they knew that many of these Roshi came from the powerful Mito clan which was ranged against the Shogunate, many of them felt that a combination of Mito and Choshu was the best possible policy. In the meantime the Satsuma clan had succeeded for a while in realizing a political combination of the Imperial Court and the Shogunate, which, as we have seen, greatly annoyed Choshu and gave an opening to the radical element, which they were quick to seize, in stirring up feeling against Edo among the leaders of the clan who had heretofore backed Nagai Uta in his plans. This patriot was dismissed from his high position and forced to commit suicide. Thereafter Choshu rejected all idea of a political combination between the Imperial Court and the Shogunate, and spared no efforts in propagating anti-Shogunate sentiment among the Court nobles in Kyoto. The Roshi in Kyoto and Osaka, who were busy against the Shogunate, had once looked to Lord Hisamitsu Shimazu, of Satsuma, as their leader, and on his way up to Kyoto they had once interviewed him and attempted to persuade him to rise against Edo. This daimyo, however, disappointed them, for he proposed a political combination between Kyoto and Edo and succeeded to some extent, which inclined him to trust the Court nobles of moderate political ideas, as well as the Shogunate. The disappointed Roshi had no more use for Lord Shimazu and joined hands with the Choshu men, who became the centre influence of the political movement in Kyoto and Osaka directed against the Tokugawa Shogunate, which quickly grew and created a new political situation. This reacted upon the Court nobles in Kyoto, where the supporters of the proposed political combination between the Court and the Shogunate gradually lost their influence, and the reactionaries began to control, which led many nobles who once had favoured Lord Shimazu to alter their attitude, so as to conform with the growing reactionary movement.

STRUGGLE FOR INFLUENCE AMONG THE NOBLES OF THE COURT.—In August 1862 a group of fifteen or sixteen noblemen, including Sanjo Saneyoshi, presented to the Court a petition, in which they accused Kuga Tatemichi, Iwakura Gushi, Chigusa Aribumi, Lady Shosho, and others of acting for the Shogunate against the interests of the Court, in that they betrayed everything that went on in the Court to the Resident Representative of the Tokugawa Shogunate in Kyoto. The Emperor dismissed Iwakura and Chigusa from their offices in the Court and confined them to their houses. Several Court ladies were cashiered or exiled, while Prime Minister Kujo was imprisoned in the house of Prince Ichijo. In fact, the officials and ladies in the Imperial Court, who worked for a political combination between the Court and the Shogunate, as planned by Shimazu, were all dismissed or lost their influences, and the Imperial Court fell under the absolute control of the anti-Shogunate party. In co-operation with these Court nobles and ladies the Roshi naturally became not only very active in their intrigues against the Shogunate, which it was their sole object to overthrow by any means, but at the same time they became reckless and even outrageous in their actions.

MATSUDAIRA, LORD OF AIZU, APPOINTED TO THE OFFICE OF SHUGO OF KYOTO.—A little before the political situation so changed in Kyoto, the Shogunate named Matsudaira Katayasu, the feudal lord of Aizu, to the office of Military Governor in Kyoto. He was a man of conservative political ideas, and truly opposed to the opening of Japan to foreign intercourse and trade, really believing that the continuation of the traditional isolation policy was not necessarily impossible for Japan, if the Imperial Court and the Shogunate could work together and the nation act unanimously under one rule instead of under a double Government. He had a genuine sentiment of loyalty towards the Imperial Family, to whom he paid every respect, and believed that if he permitted the Roshi more freedom of speech, and treated them a little more leniently, he could convert them into good citizens, who would work for their country. Of course, he was mistaken in this belief, which indicates that he did not know what sort of men these Roshi were and what was their ultimate political aim. Neither the Court nobles nor the Roshi in Kyoto had any ill-feeling against him when he was named the Military Governor of Kyoto, because they knew that he, like themselves, was an advocate of a strong conservative policy against the foreign countries, but he had not been in Kyoto very long before he discovered the real character of the Roshi. He saw with his own eyes that they committed robberies in the beautiful name of loyalty towards the Imperial family, and murder and similar atrocities in the name of the expulsion of the foreigners, not to mention other crimes, and he soon realized that he could never convert them into good citizens by peaceful means or by winning their hearts. How outrageously the Roshi acted is shown in the following instances, which were only a few of many similar outrages that they committed. On the 29th of January, 1863, a gang attacked the house of Kagawa Hajime, a physician in Kyoto, killed him and cut off his head and arms, and left the house after having affixed a placard to the house in which the physician was absurdly accused of having attempted to poison the Emperor while serving in the Court. On the 1st of February several of these Roshi visited the residence of Chigusa Aribumi and left there one of Kagawa's arms, with a letter threatening his life if he attempted to resume any important position in the Court. Prince Keiki Tokugawa, the then Regent to the Shogun, was visited in his hotel in Kyoto and presented with Kagawa's head wrapped in a cloth, as well as a letter accusing the Shogunate of being determined upon opening the country, although, under the pressure of the strong opinion in Kyoto, it had pledged itself to the expulsion of the foreigners out of Japan. One day in July somebody sent to the residence of Lord Yamanouchi, of the clan of Tosa, a man's head still covered with fresh blood, as a warning from the Roshi that if he persisted in advocating the opening of the country to foreign intercourse and trade, he would meet the same fate as the erstwhile owner of the bloody relic.

Previous to these outrages the Shogun Iyemochi visited Kyoto, with a view of demonstrating to the people how the Shogun respected the Emperor, and at the same time how closely related the Imperial family and the Tokugawa Shogunate were, or, in other words, to give open proof of the political combination of Kyoto and Edo. The Shogun, with his suite, started from Edo for Kyoto on the 13th of February, 1863. On the 16th Bojo Toshimasa, one of the advisers in the Imperial Court, visited Tokugawa Keiki, Regent to the Shogun, in Kyoto, and brought to him an unofficial message that the Court had decided to lower the grade of Court rank held by the Tokugawa Shogun upon his arrival in Kyoto, the purpose, of course, being to demonstrate the dignity of the Imperial Court before the nation, in whose eyes the power of the Imperial Court had paled before that of the Tokugawa Shogunate under the feudal system. Tokugawa Keiki and Lord Matsudaira Shungaku, who was the Director-General of Political Affairs of the Shogunate, were dumbfounded at this intimation and visited Prince Nakagawa, one of the Princes of the Blood, and asked him to try to persuade the Court to take no such step. Prince Nakagawa was ready to help, but suggested that it would be a great aid to him if he were joined by Prince Konoe and Prince Takatsukasa, both nobles and high officials in the Imperial Court. The two Edo representatives, therefore, presented a memorial to these noblemen. It is clear that these political manipulations in the Imperial Court against the Tokugawa Shogunate were by no means initiated by the Court nobles, but were suggested or recommended by the Roshi, who were pulling the wires from behind.

TOKUGAWA KEIKI GRANTED AN AUDIENCE BY THE EMPEROR.—On the 18th of January, 1863, the system of the Imperial Court which had been unchanged for many hundreds of years was altered and a new office, that of the Officials in Charge of State Affairs, was established, which practically directed the diplomatic affairs of the Imperial Court. The office holders were chosen mostly from the lower-class nobles, and after the erection of the new office, the diplomacy of the Imperial Court was decided upon mainly by the majority of these lower-class nobles, who very soon tried to increase their influence in the Court. With this object in view they proposed to organize a loyal army from the different clans and place it under the direct command of the Court, whose bodyguard it should be. Their proposal was rejected by Matsudaira Shungaku, Director-General of Political Affairs of the Shogunate, who said that if the guards of the Imperial Court were not sufficient, the Shogunate would increase them at the request of the Court any time. It was the duty of the Military Governor of Kyoto to guard the Imperial Court, and the number of guards could be easily increased ; but if the Court nobles commanded an army, that would interfere with the military power of the Tokugawa Shogunate and mean a breach in the state system of Japan. The Court nobles remained obstinate, and declared that if the Shogunate would not agree to their proposal in the matter of the bodyguards of the Imperial Court, they would have their revenge in the treatment accorded to the Shogun in the Court when he was received in audience by the Emperor. In the meantime the Shogun Iyemochi arrived in Kyoto to be received for his audience. Keiki, as the Regent to the Shogun, had applied to be received by the Emperor prior to the Shogun, because he wanted to report on some matters beforehand, but the recalcitrant Court officials in charge of state affairs interfered and the audience could not be arranged for. On the other hand, the Shogunate officials blamed Keiki for his failure to get an audience, and, thus placed between two fires, Keiki made a personal visit to the palace and saw Takatsukasa, the Prime Minister, begging the Prince to arrange for an audience because he was instructed by the Shogun Iyemochi to report to the Emperor personally on some important matters before the Shogun himself was received. Prince Takatsukasa asked if Keiki was going to touch upon politics and was assured that he was only going to inquire after the Emperor's health, and then to report to His Majesty about the Shogun's wife, Princess Kazuko, sister of the Emperor, and nothing else. The Court officials in charge of state affairs were still eager to balk Keiki in his desire, but could now see no reason to interfere, and Prince Takatsukasa arranged for His Majesty to give audience to the Shogun's Regent. When Keiki was received by the Emperor, he was surrounded by high Court officials keeping watch over what he might do or say to the throne, and speaking purposely in a very low voice the Tokugawa representative asked His Majesty's permission to approach the throne as he had a report to make on behalf of the Shogun, who was empowered by the Emperor to rule over the country. Prince Takatsukasa, who as Prime Minister should have transmitted Keiki's words to the throne, as was the custom in the Court, was a little deaf and could not catch what was said ; while the Emperor, without waiting for the

Prime Minister, spoke directly to Keiki, telling him to come nearer to the throne and say whatever he wished. Keiki proceeded near the throne, gave a message from the Shogun, and spoke of the reasons for the delay in his visit to Kyoto. Finally, he asked if the Emperor would be pleased to continue to entrust Iyemochi with the ruling power of Japan as his predecessors in the Tokugawa Shogunate had been, and concluded by saying that if the Emperor had confidence in the Shogun, he hoped His Majesty would give him the full power of ruling over the Empire. Prince Takatsukasa proceeded towards the throne and transmitted Keiki's words to His Majesty, and the Emperor replied that he would permit Iyemochi to hold the office of the Shogun, as before, and entrusted him with the full political power of ruling over the Empire, adding that the Shogun should do the best he could in connection with foreign affairs. The Court nobles were all astounded. Keiki asked the Prime Minister to give him a memorandum of the message from the Throne, but when he received it, the wording was different from what the Emperor actually said. Keiki naturally demanded that it should be altered to conform with the Emperor's actual words, and the memorandum was revised, yet still remained not exactly the same. Keiki was now thoroughly angry and demanded that the wording of the memorandum should be exactly the same as the words actually spoken by His Majesty to him in the presence of the Court nobles, including Prince Takatsukasa himself. The Prince had to give in, as he did not wish to be accused of mistransmitting the words from the Throne. The nobles in charge of state affairs were greatly surprised by and disappointed at what the Emperor said to Keiki, and Prince Sanjo and a few others of the most radical nobles visited the Imperial palace on the same night, and, in the absence of the Prime Minister, had an audience with the Emperor, telling him that his words to Keiki were entirely at variance with what he had told them on several occasions previously, and that they did not know which to believe. His Majesty replied curtly that his words represented his true mind, and that he would not permit the nobles to discuss them in any way. The Emperor thus openly proclaimed his confidence in the Tokugawa Shogun, but the recalcitrant nobles did not cease to attempt to embarrass the Shogunate by advocating a strong policy against the foreign countries, and even involved the Emperor in their political activities. Persuaded by them, the Emperor Komei paid a visit to the Kamo Shrine near Kyoto on the 11th of March, and, according to the Court politicians, the object of His Majesty's visit was to offer prayers to the gods that Japan might successfully expel all the foreigners. On the same day the Emperor was to pay a visit to the Otokoyama Hachiman Shrine, another famous shrine near Kyoto, for the same purpose; and when there it was planned that in the name of the Imperial Court the nobles would announce an expedition against the Tokugawa Shogunate on the spot. Shimazu, of Satsuma, watched the position with great chagrin, for he saw that as long as the Court nobles would indulge in political intrigues, with the Choshu men and the Roshi pulling wires behind them, his plan for a political union between the Court and the Shogunate would never be realized. He often warned the Court against the actions of the Court politicians, pointing out that if matters were permitted to continue to drift, the Emperor might be plunged into a serious civil war; but his warnings were not listened to, and he returned to his own province in great disgust.

LORD OGASAWARA ACCEPTS ENGLAND'S DEMANDS ON HIS OWN RESPONSIBILITY.—The political situation in Kyoto being thus unfavourable to the Tokugawa Shogunate, the statesmen in Edo could not help acting in a contradictory manner. They had already concluded treaties with the foreign countries and promised to open some Japanese ports to foreign trade, and preparations had been made for the purpose; but before the ports were actually opened Ando Tsushima-no-kami, the Foreign Minister of the Shogunate, in consideration of the political activities of the Court nobles and other political adventurers against his foreign policy, had dispatched Shogunate representatives to the foreign countries, and persuaded the respective Governments to agree to the postponement of the opening of the ports for five years, in the hope of quitening the excitement of the people. Nevertheless, Edo had no intention of abandoning its treaties with the foreign countries or giving up the opening of Japanese ports to foreign trade, which was already an accomplished fact. On the other hand, however, when Shimazu Saburo, of Satsuma, escorting a messenger from the Imperial Court to the Shogunate, arrived in Edo, with a view of working for a political combination between the Imperial Court and the Shogunate, Matsudaira Shungaku, lord of Echizen, an advocate of the immediate expulsion of the foreigners out of Japan, was appointed the Director-General of Political Affairs, and Lord Keiki, who belonged to the same party as Lord Matsudaira, was named the Regent to the Shogun, thus putting power into the hands of those advocating the immediate expulsion of foreigners and the continuation of Japan's traditional policy of isolation. But when the Shogun visited the Emperor in Kyoto, and was instructed to carry out the expulsion of the foreigners, strangely enough, Matsudaira Shungaku expressed surprise and even announced his intention of resigning his position on the ground that he would not be able to carry out immediately the Court's instructions against the foreign countries. This threat of resignation angered Keiki, who said that he had known that the expulsion of all the foreigners out of Japan was impracticable, and he had told Shungaku so when the latter requested him to become the Regent to the Shogun, a position he had only accepted under pressure. Now Shungaku was simply shifting responsibility on to the shoulders of the Regent at a time when the Shogunate was in an extremely difficult position. Shungaku, however, would not listen to Keiki, and returned to his province of Echizen without permission from the Shogun. Such was the condition of the Shogunate, which still existed in form, but was really at its wits' end what to do. Previous to the tiff between Regent and Foreign Minister, Shimazu Saburo's retainers had killed an Englishman at Namamugi, near Yokohama, and the English Minister lodged a very strong protest with the Shogunate. The demands that he presented in this connection were :—

1. That the Japanese Government should apologize to the British Government for the incident.
2. That the Japanese Government should guarantee the safety of the lives and properties of Englishmen in Japan in the future.
3. That the Japanese Government should pay £100,000 compensation.
4. That the men who killed the Englishman should be surrendered.
5. That Shimazu Saburo should pay £10,000 compensation.

The Shogun, the Regent, and the Director-General of Political Affairs were all absent in Kyoto at that time, and Edo could not give any definite reply to the British Minister, who demanded an immediate answer. Fearing that further delay would increase the indignation of the British Minister, the Shogunate office reported what had happened to the Shogun and the Regent, and requested them both to return to Edo immediately, but the Imperial Court refused to allow them to leave, saying that the matter could be left to the officials, who could negotiate with the British Minister, and that the Shogun and the Regent ought to stay in Kyoto and work for the establishment of closer relations between the Imperial Court and the Tokugawa Shogunate. This was, of course, a move against the Shogunate on the part of the Court politicians, who knew that the Shogun really wished to return to Edo and attempted to retain him in Kyoto in the hope of making a split among the leaders of the Shogunate. Matsudaira, the Military Governor of Kyoto, and other officials who had accompanied Iyemochi to Kyoto were blind to this intrigue, and themselves suggested to the Shogun he should stay in Kyoto and leave the negotiations with the British Minister to the ministers in Edo, as requested by the Imperial Court. The Shogunate could not, therefore, give any definite reply to the British

Minister's demands, and he became more and more angry, finally sending an ultimatum to the Shogunate and a warship into the port of Yokohama. Fearing that this ship might open fire, the Shogunate issued instructions on the 17th of March to the feudal lords and the hatamoto samurai in Edo to send back their families to their own territories to escape the possible danger of an action between the Japanese and the English warship. This only increased the consternation among the people created by the conflict with Great Britain, and when the news reached Kyoto, those who had accompanied the Shogun naturally became anxious about the fate of their families left in Edo and were all anxious to return to the capital immediately. In Edo no responsible official had courage enough to negotiate with the British Minister, and the ministers absented themselves from their offices for some time for fear that the British Minister might come and request an immediate reply. It was left for Ogasawara Tosho-no-kami, one of the Cabinet Ministers, on his own responsibility to visit Kanagawa and instruct the Foreign Secretary of the Shogunate to negotiate with the British Minister there. In the event the Shogunate accepted England's demands in the matter and paid £100,000 sterling compensation to the family of the killed.

THE FOREIGN WARSHIPS BOMBARD THE COAST OF CHOSHU.—Of the British demands in connection with this incident, those left unfulfilled were the £10,000 compensation to be paid by Lord Shimazu, of Satsuma, and the surrender of the men who had killed the Englishmen, both of which were to come from the Lord of Satsuma. On the 10th of May the same year an American warship dropped anchor at Fuchu, in the province of Choshu, and the Choshu soldiers suddenly opened fire upon her, subsequently reporting the incident to the Imperial Court in Kyoto, saying that they were the first to fire upon a foreign warship and thus the first clan to carry out the policy of the Court for the immediate expulsion of the foreigners out of Japan. Kyoto was highly pleased and sent a message expressing appreciation of the actions of the Choshu clan which were interpreted as brave and loyal acts towards the Emperor. At the same time the Imperial Court requested the Shogunate to show its appreciation by gifts of money or goods to the clan. On the 23rd of May the Choshu men fired on some French and American steamers passing through the Bakwan Strait, and on the 1st of June, when an English man-of-war was making the passage, she was fired at by two Japanese warships, as well as by the fort. The English ship immediately responded, sank the Japanese *Koshin-maru* and seriously damaged two other ships, besides destroying the guns in the fort and thus silencing it. The British then bombarded towns on the coast and killed over 600

Choshu men. On the 5th of June a French warship, passing off Maejima Island, was fired at, and in retaliation she destroyed the fort and then the castle of Chofu, the capital of the clan territory. Lord Mori and his family fled to Ichino-miya, but as the French shells followed them there, they again moved on to a village called Ido-mura. On the 11th of June the British destroyed another fort, and the Choshu men could summon up no more courage to fire at the warship, but when the Shogunate sent an envoy to reprimand the clan for what they had done they killed him.

Difference between Keiki and Ogasawara Tosho-no-kami.—In spite of such an outrageous act as the killing of its own messenger, the Shogunate did not take any immediate step against the Choshu clan, being, in fact, too much occupied with its internal troubles. The growing differences among the leaders of the Shogunate did not permit them to pay attention to other affairs. Tokugawa Keiki knew that the expulsion of the foreigners out of Japan, as ordered by the Imperial Court, could not be put into practice in the international circumstances of the day, yet he attempted to direct the policy of the Shogunate to conform with the order from the Imperial Court. He often instructed the Cabinet Ministers in Edo to make an effort to turn the situation into one favourable to the policy of the Imperial Court, and pointed out that if the Shogunate decided upon the expulsion of the foreigners out of Japan, there would be no need to pay the compensation of £100,000 to England agreed upon in connection with the Namamugi incident. None of the high officials in the Shogunate, however, paid any attention to his instructions, which, as they knew, were impracticable and, indeed, created a suspicion in their minds that Keiki, like his father, had some political ambition of his own, because he persistently requested the Shogunate to do what he knew was impossible. On the 14th of May Keiki resigned his office of Regent to the Imperial Court; and on the 20th Mizuno, lord of Mikawa, and Itakura, lord of Matsuyama, ministers in the Shogunate, suddenly dispatched a messenger down to Kyoto and denounced Ogasawara's policy in the Namamugi incident, which they declared he had adopted on his own responsibility and without the approval of the other high officials of the Shogunate. This, they said, had led to the resignation of Tokugawa Keiki, who had taken umbrage at the attitude of Ogasawara and his disobedience to instructions from Kyoto. They then proceeded to suggest that the Court should instruct the Shogun to stop at Odawara on his way to Edo, dismiss Lord Ogasawara and his associates, and carry out the expulsion of the foreigners. Umezawa Nagataro, who had taken Keiki's resignation to the Imperial Court, had reported on the situation in Edo, in the course of which he said: "Lord Ogasawara is contemplating restricting the activities of the Court nobles by force, and 5,000 soldiers are on their way to Kyoto for the purpose. Instructions sent from Kyoto to the Shogunate in Edo received no attention from Lord Ogasawara and his associates, who declared that they would behead the Court nobles if they did not come to heel. The object of Lord Ogasawara's visit to Kyoto is to persuade the Imperial Court into favouring the opening of Japanese ports to foreign trade, and if he failed in this he would take the Shogun back to Edo at once, set fire to the Imperial palace, arrest all the Court nobles, dispatch a naval expedition against Satsuma and Choshu if they supported the Court and nobility, and order a wholesale massacre in the city of Kyoto." This circumstantial story created consternation among the nobles in Kyoto.

LORD OGASAWARA DETAINED ON HIS WAY BY THE SHOGUN.—On the 1st June Lord Ogasawara, accompanied by Mizuno Chikugo-no-kami, Foreign Secretary, Inouye Shimano-no-kami, Governor of Edo, Asano Igano-kami, Governor of Kanagawa, Tsuchiya Minbu, and Mukaiyama Yeigoro, and other officials of the Shogunate, escorted by three battalions of troops, started on three warships for Osaka, whence they attempted to proceed to Kyoto on horseback. The Court in a great fright requested Lord Matsudaira, Military Governor of Kyoto, to detain Lord Ogasawara and his troops by force, to which Matsudaira replied that Ogasawara could not have any designs against the Court at all, and that no troops were necessary. He simply sent a messenger, who met Lord Ogasawara at Yodo, and told him he had better not proceed to Kyoto with any troops at a time when his intentions were suspected. Ogasawara accordingly halted at Yodo. The Shogun and certain high Shogunate officials in Kyoto, after a conference on the steps they ought to take, sent Mizuno Izumi-no-kami to Yodo to ask Ogasawara what he meant by coming to Kyoto with his troops. Ogasawara replied that he had a very important matter for the Shogun's private ear which he was not prepared to discuss with Mizuno at Yodo, and requested to be informed by a certain fixed date when the Shogun would receive him in Kyoto, adding that if he did not receive a definite reply by the appointed day, he should consider himself free to march on to Kyoto. However, on receipt of an autograph letter from the Shogun, telling him to return to Osaka and wait there for further instructions, Lord Ogasawara obeyed Iyemochi's orders. The angry Court was not content with this and ordered the Shogunate to punish Ogasawara severely, and he was accordingly deprived of his office and territory; and both he and Inouye Shimano-no-kami were detained in the castle of Osaka. It is quite clear that the fallen minister had come to Kyoto in order to rescue Iyemochi from the extraordinarily difficult position in which he was placed, with the Court nobles and Roshi intriguing against him, and the foreign affairs of the country crying out for decision in a manner very distasteful to the Court. Ogasawara had determined to cut the Gordion knot, and was ready to use force against any interference from the Roshi and violently suppress the anti-Shogunate clique in Kyoto. But Lord Matsudaira, the Military Governor of Kyoto, and others who were in attendance on the Shogun in Kyoto did not see to the bottom of his plans, and, at their suggestion, the Shogun cashiered his minister, and thereby lost a capital opportunity of overthrowing the anti-Shogunate party in Kyoto. It is said that when he received the order from Iyemochi, Lord Ogasawara deplored the attitude of Matsudaira and others, whose ill-advice had robbed their master of a golden opportunity of defeating the anti-Shogunate clique, and declared that some day they would regret what they had done.

The Emperor's Visit to the Big Shrines announced.—Lord Ogasawara's plan thus came to nothing, but his demonstration was not entirely without effect, for the Shogun, with the consent of the Court, left Kyoto on the 3rd of June for Edo, although the political situation got steadily worse. The British, who had already got what they demanded from the Shogunate in connection with the Namamugi incident, now devoted their attention to what was due to them from Satsuma, namely the surrender of the responsible parties and £10,000 indemnity. Edo intimated that, since the Central Government of Japan had already accepted their demands in connection with the incident, the British should not take the matter up with the Satsuma clan direct, but ignoring this hint, on the 27th of June, a squadron of seven British warships entered the Bay of Kagoshima, and the admiral presented to the Clan Government the British Government's demands in connection with the incident at Namamugi. Getting no satisfactory reply, on the 2nd of July the admiral seized a steamer belonging to the Satsuma clan lying in the bay, whereupon the forts opened fire, to which the British squadron at once responded. In the action that followed several Japanese ships in the bay were sunk, the forts damaged, and the city of Kagoshima set on fire. The conflagration raged for three days and destroyed hundreds of houses, including the residence of the daimyo himself. On their part the Satsuma men fought gallantly and did a good deal of damage to the British ships, but the battle taught them that the forcible expulsion of the foreigners from Japan, of which they had been dreaming, was utterly impossible. The Choshu men had had the same experience from their battle with the British and the French warships some time before, in the course of which they not only had their forts destroyed but their territory invaded by the French sailors. The stern lesson awoke both Satsuma and Choshu from their dreams and taught them the strength of the Western countries, which it was impossible for the Japanese to resist in those days; but the Court nobles in Kyoto, who knew nothing of world conditions, failed to appreciate the real situation, still continued to believe that the immediate expulsion of the foreigners was possible, and persisted in their anti-foreign policy. In this they were supported by the Choshu men, who, while they had been powerless in battle with Western countries, yet felt that their practical experience in modern methods of war made them superior in fighting power to the Shogunate, and they urged the Court to insist on an anti-foreign policy, just to place Edo in a difficult position. The political adventurers, too, from the other clans, such as Tosa, Higo, and Chikugo, etc., followed the same tactics, and, thus encouraged, anti-foreign opinions prevailed in the Imperial Court, and the spirits of the Court politicians ran very high. On the 13th of August an Imperial rescript was issued, announcing that the Emperor would visit Unebi, where is the tomb of the Emperor Jinmu, the founder of Japan, the Kasuga shrines, and other shrines in the province of Yamato, for the purpose of offering prayers at these places in connection with the proposed expulsion of the foreigners out of Japan. It was also announced that His Majesty would stay in Yamato for some time and confer with his advisers on the preparations for a war to be declared against the foreigners under his personal command, and that later he would visit the Grand Imperial shrines in Ise for the same purpose. Such were the circumstances in which the Emperor's personal command of his forces against the foreigners was announced.

AN IMPERIAL RESCRIPT ISSUED AND OBSTRUCTED BY THE COURT NOBLES.—Seeing the nobles thus kicking over the traces, as it were, Prince Konoe, who was then the Prime Minister in the Imperial Court, feared that a serious situation, endangering the Empire itself, might be created. He saw that the Choshu men and the political adventurers from the different clans were pulling the wires behind his Court nobles, and thought to find in the clan of Satsuma a strong enough restraining influence. Accordingly he dispatched a messenger to Shimazu, asking him to come up to Kyoto to curb the actions of the Court nobles and the political adventurers gathered there, and at his suggestion an Imperial rescript was issued commanding the Lord of Satsuma to come up to Kyoto himself. Sanjo and other nobles in charge of state affairs were bitterly opposed to calling in the Prince of Satsuma, and at a conference of the officials of the Court held in the presence of the Emperor on the 17th of August their opposition prevailed and the Imperial rescript was withdrawn. The Emperor was highly indignant and declared that if the same thing were repeated in the future he would retire from the throne at once, and that the Prime Minister and other Court officials, too, should resign their offices immediately ; but, nevertheless, Prince Konoe's plan to call in Lord Shimazu was defeated, and the preparations for the Emperor's personal command of the forces against the foreigners made a big advance. On the 19th of August Prince Takatsukasa invited to a conference certain feudal lords then in Kyoto, such as those of Bizen, Awa, Yonezawa, Tosa, and Tokuyama, explained to them the plan for the Emperor's personal command of the forces in the war against the foreigners, and asked for their opinions, which were all unfavourable. On the same night a gang of Roshi attacked and killed Shiga Samanojo, a retainer of Prince Tokudaiji, because the Prince had supported the proposal to call in Lord Shimazu, and the next night the Roshi sent letters to the houses of Prince Konoe, Prince Nijo, and Prince Tokudaiji, in which, after reproaching them for the invitation to Shimazu, they threatened them with death if they did not carry out the wishes of the Roshi in political matters. Another gang burned to the ground the Kodaiji, a Buddhist temple which had been allotted as a residence to a Shogunate official shortly expected in the city, and did the same to the house of Yamatoya Shobei, a silk dealer in Kyoto, after throwing his stock into the well, because he had been trading with the foreigners. The Imperial rescript announcing the Emperor's personal command of his national forces in the field, which was issued in such circumstances, on the advice of the Choshu men, who practically controlled the political machinery in Kyoto, had some other significance besides what appeared on the surface. The ultimate object of those who inspired it was to overthrow the rule of the Tokugawa Shogunate, but not to declare war against the foreign countries ; and their plan was that the Emperor should stay at the Hachiman Shrine at Otokoyama for two weeks or so to pray for victory, and that, in the interval, the Imperial forces should capture the castle of Osaka, where the Tokugawa Shogunate kept a large quantity of war provisions and had its own garrison. From Osaka the Court would control the five districts around the city of Kyoto, and would then issue a rescript addressed to the feudal lords, inviting them to join the Imperial Army against the Tokugawa Shogunate. But their plan leaked out, and a counter-movement started by their political opponents, who declared that the rescript announcing the Emperor's visit to the historic shrines in the province of Yamato, in connection with a war to be declared against the foreign countries, was all a fraud committed by anti-

Shogunate Court nobles, who nevertheless feared that if the Emperor once started on his trip to Yamato, the result might be far-reaching and the whole country plunged into a serious civil war. These anti-Choshu men then appealed to Prince Nakagawa to put a stop to the whole scheme, and after a long conference between Court nobles and the feudal lords who were in Kyoto, the Prince visited the Emperor very early on the following morning, and spoke of the inadvisability of his proposed visit to the shrines in Yamato, warning him he might be made the tool of some political intrigue. The Emperor was much surprised, and declared that while it was true that Sanjo, Higashikuze, and some others had suggested to him that the time was ripe for him to take personal command of his forces, he had not yet given his sanction to their plan; moreover, that though he intended to visit the tomb of the Emperor Jinmu, and wished to do so when he had an opportunity some day in the future, he had not yet decided upon a date. Prince Nakagawa advised His Majesty to summon Prince Takatsukasa, the Prime Minister, and order him to take proper steps immediately to punish the nobles who had planned such a scheme against His Majesty's wishes, but the Emperor remained silent for a while, and then said that he would wait for a better opportunity before acting.

PRINCE NAKAGAWA CURBS THE COURT NOBLES.—On the 16th of August the Emperor dispatched one of the Court ladies to Prince Nakagawa with an autograph letter to say that after consideration His Majesty had arrived at the conclusion that for a settlement of the matter there was no other way than to call in Lord Matsudaira, Military Governor of Kyoto. About the middle of the same night, Prince Nakagawa issued an order from the Throne calling such nobles as Nijo, Konoe, Tokudaiji, and others to the Imperial palace at once. At the same time instructions were sent to the Lords of Satsuma and Aizu to guard the gates of the Imperial palace with their troops, also to Lord Matsudaira, Lord Uyesugi, and Lord Yamanouchi to present themselves at the Imperial palace immediately with such forces as they had in Kyoto. The nine gates of the Imperial palace were all guarded by the armed troops of these lords, and even officials of the Court were not allowed to pass in without a permit. When all the preparations were completed both within and without, Prince Nakagawa read an Imperial rescript to the following effect:—

> Certain nobles in the Court, influenced by the irresponsible opinions of the Choshu men, have often misinterpreted the ideas of the Emperor before the people. The most outrageous instance of this is that the Emperor could take personal command of the army on the battle-fields, in which connection it is reported that His Majesty would pay visits to the famous shrines of Yamato

> to pray for a victory of the Imperial forces which he would personally command. The Emperor himself does not think that the time is yet ripe for such action, yet these officials of the Court have announced it as if it were a decision of the Emperor, and the Emperor is greatly displeased with them for so doing. This misinterpretation of the Emperor's intentions is because these officials of the Court, involved in a diabolical political intrigue of the Choshu men, pressed His Majesty to agree to their political scheme. Such conduct is disloyal to the Throne.

An order was then issued prohibiting the nineteen nobles involved in the affair from appearing in the Court, and the Choshu clan was relieved from guarding the Sakaimachi gate of the Imperial palace, soldiers from Satsuma replacing them. This last order very nearly brought about a battle, for Choshu was fully determined to resist the encroachment of Satsuma by force of arms, and it was only the approach of a fairly big force of Aizu men that caused Choshu to retire without a struggle. Sanjo and six principal nobles retired with the Choshu men to the Hokoji Temple, whence they proceeded to Nagato, for they could find no better refuge than Lord Mori's territory. We must add that even when they were being driven out of Kyoto the Choshu men did not forget to pillage as usual, extorting from various merchants large sums of money.

The *coup d'état* was carried out without any bloodshed, but its results were significant. The two leading clans of Satsuma and Aizu shook hands in Kyoto and co-operated in politics, while the proposal for an alliance of Satsuma with Choshu, which had been once regarded as so hopeful, came to nothing, and the two clans were now decidedly opposed to one another. Finally the *coup d'état* brought complete victory to the Satsuma men and others, who had been working for a political combination between the Imperial Court and the Shogunate. It is true there was no blood shed, but the condition of Kyoto was so riotous that both the Court nobles and the people expected a big civil war as in the old bad days, and the women, children, and old men all took refuge outside the city.

SATSUMA AND AIZU POLITICALLY ALLIED.—The historic facts of the *coup d'état* were as already stated, and the political explanation of the events is that the two clans of Satsuma and Aizu combined and drove Choshu out of its commanding position in Kyoto. As soon as it had carried out the *coup d'état*, the Court announced publicly the political crimes of Sanjo, Higashikuze, and five other nobles, who had fled to Nagato, stating that whatever they might do or say in the future the Court was not responsible. The Roshi who had initiated the idea of the Emperor's visits to the shrines in Yamato, which they had planned to make an occasion of declaring war against the Tokugawa Shogunate, had completely failed; and as the Choshu men, upon whom they had relied, had returned to Nagato, they were left without leaders and broke up into groups. Some, gathering around Nakayama Tadamitsu, a Court noble, rose at Totsugawa in the province of Yamato, declaring that they had instructions from the Throne to overthrow the Tokugawa Shogunate; while those connected with Sawa Nobuyoshi, another Court noble, raised the standard of rebellion at the silver mine at Ikuno in the province of Tajima. They were all suppressed by the Government's troops, but until they were put down the Court nobles in Kyoto thought perhaps they might succeed, and that the Choshu men would return and again control the situation in Kyoto. While, therefore, apparently relying upon Lord Matsudaira, Military Governor of Kyoto, for the preservation of peace and order, these Court nobles secretly hoped for the restoration of the Choshu influence in Kyoto, and it is said that secret communications were exchanged between them. They felt it unwise to lean upon Satsuma and Aizu, who had replaced Choshu, and placards appeared in various places in Kyoto proclaiming anti-Satsuma Aizu sentiments. It cannot be said, moreover, that the situation in Kyoto was firmly restored. It remained uncertain, for the reason that the Imperial rescripts issued after the *coup d'état* on the 18th of August were entirely opposed to those that had been issued before that event, and the people did not know which really represented the mind of the Emperor. Then though Sanjo, Higashikuze, and others, who had once controlled the Imperial Court, had been driven out and fled to Nagato, their former political associates who still remained in the Court naturally declared that the rescripts issued prior to the *coup d'état* truly interpreted the Emperor's wishes, and those issued after the *coup d'état* did not, and intimated that the later Imperial rescripts and orders were issued under the pressure of the two clans of Satsuma and Aizu. There is no doubt that the people of Kyoto were in a state of great uncertainty.

THE ACTIVITIES OF THE ANTI-SHOGUNATE MEN.—Seeing that the Choshu men still intrigued with the Court nobles in Kyoto, even after the *coup d'état* of the 18th of August, Edo concluded that the best way to put an end to anti-Shogunate activity in Kyoto was to deal with Choshu, which was pulling the wires behind the Court politicians, and on the 11th of November an order was issued to the Lords of Aizu, Hikone, Ogura, and Lord Ogasawara to arrest and bring to Edo for trial Lord Mori and his heir, on the ground that they had disregarded orders from the Throne and from the Shogun, besides killing the Shogun's messenger to them, etc. In fact, war was declared by the Shogunate on the Choshu clan. On the other hand, the opponents of the Tokugawa Shogunate did not remain idle, but spread baseless rumours and murdered and burned in different places, using every possible means to make trouble for Edo. The most remarkable report spread by them was that Prince Nakagawa, one of the Princes of the Blood, who had carried out the *coup d'état* of the 18th of August, was scheming to dethrone the Emperor and usurp the crown himself, with the support of the clans of Satsuma and Aizu, who had assisted him during the *coup d'état*. With this object in view he had bribed the priests of the Iwashimizu Temple to curse the Emperor so that he might die and leave the throne vacant. After the 18th of August the Choshu men were prohibited from entering Kyoto, but they penetrated into the city secretly, and, disguised as workmen or servants, picked up such political information as they could and communicated with their friends at Court. The anti-Shogunate nobles, too, were unceasingly active and persuaded the Emperor to issue a rescript commanding the Shogun to come up to Kyoto again, first to consult with the Court about the expulsion of the foreigners out of Japan, and then to promote a further friendly feeling between the Court and the Shogunate. Of course, the real motive of the nobles was to cause further trouble to the Shogun, as they knew that he did not like coming up to Kyoto, and that it was a heavy financial drain upon Edo, which was in chronic money difficulties. The Shogun hesitated for a while, as the Court nobles had expected, but decided at last to obey orders, and on the 27th of December, 1864, he started from Edo by the warship *Shokaku-maru*, and arrived in Osaka on the 1st of January, proceeding to Kyoto on the 15th, to the great embarrassment of those who had caused the issue of the order, who did not know how to deal with the situation, for the presence of the Shogun in Kyoto increased the influence of the pro-Shogunate men in the Court; and on the 27th of January he was received in audience by the Emperor.

The real reason why Iyemochi came to Kyoto so suddenly was that the Shogunate had decided on sending a punitive expedition to Choshu. On the 15th of February the Shogun appointed the Lord of Kii commander-in-chief, the Lord of Aizu the assistant commander-in-chief, and issued an order to the Lord of Choshu to punish the branches of the Mori family and his principal retainers for their ill-advice which had misled their lord, threatening war if he disobeyed. At the same time the Satsuma, Awa, Kumamoto, Okayama, Ogura, and other western clans were ordered to prepare for an expedition against the clan of Choshu. On the other hand, the Shogun concluded a new concordance with the Emperor, and on the 7th of May left Kyoto to return to Edo via Osaka.

The terms of the agreement with the Court were as follows :—

> Beginning with the present year, the contribution towards the expenses of the Grand Imperial Shrines shall be increased by 2,000 bales of rice.
>
> No process of criminal punishment shall be practiced on the 14th of June, the birthday of the ruling Emperor.
>
> The 6th day, the memorial day of the late Emperor Ninko, and the 13th, that of the mother of the Emperor, shall be observed by the Shogunate every month, just as the memorial days of the Tokugawa are observed by the Shogunate each month.
>
> Whenever a new Shogun is proclaimed in the future, he shall visit Kyoto to express his personal thanks to the Court.
>
> The heads of the three branches of the Tokugawa family and lords holding territory worth 10,000 koku or more of rice shall visit Kyoto to express their thanks to the Court when they succeed their fathers, or are given or promoted in any grade of rank in the Court.
>
> When any lord passes through the province of Yamashiro, where the city of Kyoto is located, he will visit the Imperial Court to pay his respects to the Emperor.
>
> The management of the state affairs of the Empire shall be entrusted to the Shogun.
>
> On any of the mourning days of the Court no criminal punishments, grave or otherwise, shall be carried out by the Shogunate.
>
> Each of the lords shall present to the Court a portion of what is produced in his territory each year.
>
> When any of the Princes of the Blood dies, all forms of music for amusement shall be prohibited throughout the Empire.
>
> The cleaning of the Imperial tombs shall be very carefully done.
>
> Measures shall be taken that the sons or daughters of the Emperor shall not have to become monks or nuns, as hitherto.

THE CHOSHU MEN MAKE AN ARMED ATTEMPT UPON KYOTO.— Thus it was publicly declared that the Court entirely left to the Shogun the management of the state affairs of the Empire ; and more than that, another Imperial rescript was issued pronouncing that the Tokugawa Shogunate alone, on behalf of the Imperial Court, shall rule over the Empire. All this convinced the Choshu men that the influence of the pro-Shogunate party was firmly established in Kyoto, and that to restore their former position there was nothing left but to appeal to arms ; and on the 21st of June Fukuhara Yechigo, one of the principal retainers of the Choshu clan, with a force of 3,000 soldiers, suddenly made his appearance in Osaka, whence he sent a petition to the Court, asking for the withdrawal of the Imperial order reproving the Lord of Choshu, Sanjo, and six other Court nobles taking refuge in Nagato for their political crimes. He then moved up to Fushimi, quite near Kyoto, with 700 picked men and stayed at the residence of his lord in that town, while a portion of his troops advanced as far as to the Hachiman Shrine at Yamazaki ; and on the

25th of June a force of about 300 began gradually to approach Kyoto itself. About the same time as the Choshu troops arrived in Fushimi, Oimikado, Nakayama, and thirty-five other Court nobles, encouraged by their activity, presented to the Court a representation in their joint names regarding the foreign policy of the Empire, saying that if the Government did not carry out at once the expulsion of the foreigners, the radical element of the nation would not put up with it any longer but might take violent action.

Yechigo and his Choshu associates, too, sent a threatening letter to the Court, and reinforcements from Choshu continued to arrive at Yamazaki. Every night watch-fires were lighted on Mount Tenno, near Yamazaki, and demonstrations made against Kyoto, which scared the Court nobles so much that many of them suddenly altered their political attitude to conform with the wishes of Choshu.

THE BATTLE OF HAMAGURI GATE.—In view of these events, it was felt by some of the clans that force was the only way to deal with Choshu, and Satsuma suggested it to the Shogunate, which was greatly pleased by the attitude of that great clan, and the more so when news came from Choshu that the Daimyo Mori Sadahiro had already left Yamaguchi for Kyoto with a large force of troops, and that Sanjo and other six nobles escorted by a force of Roshi had also started for the same purpose. The information stirred both parties in Kyoto a great deal, and on the 18th of July the Choshu men declared war against the Shogunate and action was begun by Fukuhara Yechigo's troops, who, from Fushimi, attacked the Shogunate forces. They fought by the Hamaguri gate of the palace, and, attacked on three sides, the Choshu men were defeated with heavy loss, and thereafter the Shogunate issued an order to the twenty-five clans in the western part of Honshu, Shikoku, and Kyushu that they should all prepare for war against the Choshu clan, and wait further orders for their actions against Lord Mori. The retired Lord of Owari, head of one of the three direct branches of the Tokugawa family, was named the commander-in-chief of the expedition.

CHAPTER LXXXI

THE FALL OF THE TOKUGAWA SHOGUNATE AND THE ESTABLISHMENT OF THE MEIJI GOVERNMENT

THE SHOGUNATE WAR WITH THE CHOSHU CLAN.—By the co-operation of the two influential clans of Satsuma and Aizu order in Kyoto was maintained, and the political combination between the Imperial Court and the Shogunate, as planned by the Lord of Satsuma and the leaders of the Shogunate, was realized. But the combination was built upon lies, and neither party was faithful to the other, despite the fact that they were politically combined nominally. For instance, the Imperial Court knew very well it was impossible, in the political circumstances then existing in the world, to expel the foreigners out of Japan and to keep the country isolated from the rest of the world, as before, but it persistently urged the Tokugawa Shogunate to do so. On the part of the Shogunate, its leaders had no intention at all of taking such a drastic step as to expel foreigners out of Japan, nevertheless they accepted the order from the Imperial Court so to do, and some officials of the Shogunate were so honest and simple-minded as to propose to dispatch an official Japanese commission to the Western countries with a view of negotiating with their Governments regarding the order from the Imperial Court. Previous to this the Shogunate had dispatched Lord Ikeda and Lord Kawada to Europe to try to postpone the opening of the port of Yokohama to foreign trade. These delegates travelled to Shanghai on a French warship, and then took a French mail-boat to France. In their negotiations in Paris they attempted first to acquire French consent to Japan's isolation from the rest of the world, as before; but as the Japanese themselves were dubious about their proposal, naturally they could not persuade the French Government to accept it, and the outcome of the negotiations was in many respects contrary to their expectations. Not only that, but they were informed by the French Government that England, France, and America intended to combine their forces in an attack upon the clan of Choshu for having fired on their ships, but that if the Japanese Government itself punished the clan and insured the safety of Shimonoseki channel, the planned dispatch of the combined fleet might be stopped. If the Japanese Government wished it, France would give military aid in an expedition against Choshu to punish the clan for their attacks on the foreign warships at Shimonoseki. By this time, however, Matsudaira Yamatono-kami had been appointed by the Japanese Government to negotiate with the representatives of the foreign countries in Japan on the general closing of Japanese ports to foreign trade, and the delegates in Europe, in view of the policy of their Government at home, concluded it would be useless for them to waste more time in Europe, and that the best thing they could do for their country was to avert the punitive expedition from Europe against Choshu. With this object in view they concluded a treaty of alliance with France, whereby the Japanese Government was to receive military aid from France in its expedition against the clan.

The Japanese Delegates punished.—Lord Ikeda and others, who concluded this treaty, were not satisfied merely with the alliance with France. They proposed to send official representatives of the Japanese Governments to stay in the European countries, so that Japan could hold her place in the comity of nations, and perhaps benefit herself by taking advantage of the jarring interests of the different countries. They also held that Japan should enter into intercourse with the Oriental countries by concluding the same kinds of treaties as she had concluded with the European Powers, and send young men to France to get a modern education, and finally that the Japanese Government should have some connection with the newspapers in Europe in order to mould the public opinion in these countries in the interests of Japan, etc. Holding such radical opinions the Japanese delegates returned from Europe, only to find that all the able men had left or had been forced out of the Shogunate, and their positions were occupied by men of lower abilities and much smaller calibre. These so-called statesmen, ignorant of the conditions of the world, were honestly contemplating the closing of not only Yokohama but all the other Japanese ports to foreign trade, and would not listen to the radical proposals made by Lord Ikeda and his associates. Even the better informed officials did not approve the treaty with France, because of the provision for France's military aid in the Shogunate expedition against the clan of Choshu. Upon their arrival in Yokohama, Lord Ikeda and the delegates were forbidden by the Shogunate to enter Edo, but they paid no heed to the order. On the same night, however, they were cashiered, had their official salaries decreased by 600 koku of rice each, were forced to retire from active life, and imprisoned in their respective houses. The other officials who had accompanied the three delegates to Europe were also severely punished. Hearing of the return of the delegates to Japan, the French Minister in Edo visited the Japanese Foreign Minister and asked how soon the new treaty would become effective, and received the answer that the delegates had not been authorized by the Shogunate to conclude such a treaty on their own responsibility and had exceeded their powers, for which they had been cashiered. The treaty concluded by them was invalid. The French Minister received this statement with much indignation, and communicated with the warships of the four countries concerned lying in Yokohama, which at once made ready to leave for Choshu, and, in spite of the efforts of Edo to prevent it, sailed for the south on the 26th of July.

THE COMBINED FLEETS OF THE FOUR COUNTRIES BOMBARD THE COASTS OF CHOSHU.—The clan of Choshu had learned that the Tokugawa Shogunate had decided on a punitive expedition against it, and on the 3rd of August imprisoned three of its leading retainers—Masuda, Fukuhara, and Kokushi—who had been defeated in their action with the combined forces of Satsuma and Aizu in Kyoto. They then reported to the Imperial Court what they had done, and begged Kyoto to intercede with the Shogunate and get it to abandon its purpose. Simultaneously came the startling news that the combined squadrons of England, France, Russia, and America had started for their shores, and Matsudaira Gozo and Ito Shunsuke were hastily dispatched to Himejima with an autograph letter from Lord Mori, giving assurance that no obstructions would be offered in future to the ships of the four countries passing through Shimonoseki Strait. But before the two men arrived at Himejima the warships had already left there for Shimonoseki. This Ito Shunsuke became later Prince Ito, the famous statesman who took the principal part in building up modern Japan. He and Inouye Kaoru, later Marquis Inouye, had been studying in London, but, learning there of the plan of the European countries to attack Choshu, hastily returned home to try to persuade the leaders of the clan to agree to the opening of Japan to foreign intercourse and trade, which, judging from the circumstances of the world, they believed was the only course Japan could take in her foreign relations. When the combined fleet, consisting of seventeen warships, arrived at Shimonoseki, the statesmen of Choshu realized that they could not resist, and Takasugi Shinsaku, the commander-in-chief, sent envoys aboard with a soothing message to the effect that Choshu had no ill-feeling against the foreigners at all, and that their bombardment of the foreign warships in the previous year had been carried out in obedience to orders from the Imperial Court and the Shogunate. The envoys assured the allies that they would not obstruct the passage of foreign warships through the Shimonoseki Strait in the future, and pleaded with them not to bombard Shimonoseki. But the commanders of the foreign fleet were not prepared to trust the promises of Choshu or give up their contemplated plan, and on the 5th of August opened fire against the fort at Maeda-mura, a small coast village. The fort there responded and did quite well, damaging two of the foreign warships, but mere gallantry was of no effect against the heavy metal of the foreign guns, and the garrison was obliged to evacuate the port towards the evening, when the enemy landed and spiked the fourteen big guns. On the following morning the battle was resumed, and after challenging the enemy to come ashore and fight, a challenge which was refused, the Choshu forces had to retreat once more. This was the end of the resistance, and on the 7th of August the Clan Government dispatched delegates to the commanders of the foreign warships to negotiate peace, which was soon concluded, because the allies were satisfied with having punished the Choshu clan for what it had done against the foreigners, and broken the self-conceit of the Moris. Later the four Powers demanded from the Shogunate compensation for the loss that they had incurred at the hands of Choshu, and the Shogunate paid an indemnity of 3,000,000 dollars in gold.

Anti-Foreign Views gave way in Choshu.—The bombardment of Choshu by the foreign warships was a baptism by fire, so to speak, which had a healthy and regenerating effect. When first the Japanese began to feel that the Imperial Court should be more respected, and the foreigners expelled out of Japan, the Choshu men saw that these views were liable to become great influences, and based all their political activities upon them. In advocating more respect towards the Imperial Court, some harboured, it may be said, the ambition of following in the footsteps of the Tokugawa, while others knew very well that it was impossible in the then existing political circumstances of the world to drive the foreigners out of Japan and to continue the policy of isolation, and who yet advocated the expulsion of the foreigners just to create trouble for Edo. But most Choshu people believed that the two policies could be carried out side by side. Their leaders knew that it was not possible, but were afraid that if they said so publicly, they might be accused of fickleness or of favouring the Shogunate for some special reason. Even while the anti-foreign opinion prevailed so strongly in Choshu, the younger element of the clan, represented by Ito Shunsuke, Inouye Kaoru, and others, acquainted with political conditions abroad, advocated the opening of Japan to foreign intercourse and trade, but their influence was so weak that they could not mould the public opinion of their clan. But the bombardment of Shimonoseki by the combined fleet of the four Powers was an object-lesson in the power of the modern machines possessed by foreign countries, and even the most conservative in the clan realized how wrong the foreign policy of their country was. From that day the progressives gradually gained influence in clan politics and were not afraid openly to pronounce in favour of the opening of Japan to foreign intercourse, which they had not been able to do before. Thus progressive views on the foreign policy of the Empire prevailed and conservative opinions gradually disappeared, particularly with the fighting class of the clan, who had actually felt the power of Western military weapons. Sanjo Saneyoshi and other Court nobles, who were then sheltering in Choshu, did not realize the true situation as yet and still stuck to their old ideas. They were dissatisfied with the peace made with the foreign warships, and condemned the Lord of the clan to his face for what his retainers had done in this connection. Mori did not argue with them, and simply told them that his Clan Government had concluded peace with the foreign warships as a policy to put an end to the bombardment and give his people time to prepare for a future war with the foreign countries. To sum up, the bombardment of Shimonoseki by the foreign warships shattered the double aim of Choshu, namely, the restoration of the Imperial Court and the expulsion of the foreigners out of Japan, which they had believed could be carried out. The idea of the expulsion of the foreigners was entirely dropped, and the political efforts of Lord Mori and his clan from this time forward were concentrated on the political extinction of the Tokugawa Shogunate. It may be said, therefore, that the bombardment of Shimonoseki by the combined fleet of the four Powers was a turning-point in the political history of modern Japan.

CHOSHU APOLOGIZES.—It was on the 23rd of July that the Shogunate declared war against Choshu, and on the 5th and 6th of August that the foreign warships bombarded Shimonoseki. On the 9th the Shogunate nominated the former Lord of Owari the commander-in-chief of the expedition, but by September he had not yet started for the front, and was even requested by the Imperial Court to hasten his departure. On the 1st of September the Shogunate revived the old system started by Tokugawa Iyeyasu, the founder of the Tokugawa Shogunate, under which the lords had to keep their families in Edo, and themselves spend every other year in the capital, the real object being to hold the families as hostages in Edo for the good behaviour of the lords. Lord Matsudaira had discontinued the system to save the daimyo the very heavy expenses it involved and thus give them money to spend on coast defence, but by this time, thanks to the political situation created by the foreign relations of the country and the activities of the Court nobles and the Roshi, as well as such leading clans as Satsuma and Choshu, the Shogunate had begun again to suspect the attitude of the lords, hence the revival of the old hostage system. In the meantime the forces of the lords in the western parts of Japan, mobilized by Edo for the expedition against Choshu, had already advanced as far as the borders of that clan, although the Shogunate was still hesitating, and it was only on the 12th of October that the Lord of Owari, the commander-in-chief, and his staff left Kyoto for the front. The Imperial rescript issued in connection with this expedition requested that the Shogun himself should come up to Kyoto, to issue military orders to his army from there, but the Shogun did not come. In fact, neither the Shogunate nor the lords were enthusiastic in the war. On his way to the front the commander-in-chief called a conference of the generals at the castle of Osaka and discussed the plan of operations at the front, when Saigo of the Satsuma clan, later the great Saigo, said that the object of the present expedition being to reprimand Lord Mori and his advisers for what they had done against the Imperial Court, the Shogunate should request Lord Mori to punish those responsible and himself apologize before hostilities were actually begun. If Lord Mori refused, then the Shogunate's forces might enter Choshu. The advice was adopted, and Saigo and Yoshii, of Satsuma, were dispatched to convey the message to the Choshu clan, which accepted the olive branch. The three chief retainers of the Choshu clan—Kokushi, Masuda, and Fukuhara—who were responsible for the military attempts on Kyoto were ordered to commit suicide, and their three heads were sent to the general headquarters of the expeditionary force for inspection. Besides, Lord Mori and his heir retired from active life and removed from the castle of the clan to a temple, Lord Mori sending a personal letter of apology to the Shogunate headquarters. On December 27th it was announced that the expeditionary force against Choshu would be withdrawn.

THE PEACE WITH CHOSHU DENOUNCED BY THE STALWARTS OF THE SHOGUNATE.—The peace thus concluded by the Lord of Owari was unsatisfactory to the statesmen of the Shogunate, who considered the terms too generous and the withdrawal of the expedition from the border of Choshu premature. They had expected to summon Lord Mori to Edo for trial and cut down his territory, but since peace had already been concluded, they could not do anything more, except try to reprimand the Lord of Owari for what he had done, and they instructed him to come to Edo at once. He refused, saying that he was instructed by the Court to stay in Kyoto, and, besides, was ill and wanted to recuperate his health by staying in Osaka for the time being. In the meantime the Imperial Court issued instructions for the Shogun to come up to Kyoto and decide upon the disposition of the feudal territory of Lord Mori. To the Shogunate, now that Choshu was humiliated, and the Court politicians in Kyoto had lost their political supporters, it seemed the time to secure their own influence there, and with this object in view, they removed all the clan troops guarding the different gates of the Imperial palace in Kyoto and dispatched from Edo a four-battalion force of troops trained in modern methods to take their place. Not content with thus attempting to secure complete control of the situation in Kyoto by means of arms, Edo set out to win the hearts of the Court nobles by giving them money, and it is said that Lord Abe and Lord Hoki, two ministers of the Shogunate, came up to Kyoto with 300,000 ryo in gold for distribution among the Court nobles there.

THE SHOGUN IYEMOCHI TENDERED HIS RESIGNATION TO THE COURT.—The statesmen of the Shogunate now decided to send another punitive army against the Choshu clan, and Iyemochi started from Edo on the 16th of May, 1865, for Osaka by sea, to take command in person; while orders were issued to the lords that they should have their troops ready for war and await the Shogunate commands to advance to the front. On the other hand, instructions were sent to Lord Mori that his principal retainers responsible for the Clan Government of Choshu should present themselves in Osaka for trial. Not one of these men appeared, pleading illness. On the 16th of September the warships of France, England, and the United States suddenly appeared and dropped anchor off the Wada Promontory in Hyogo (present port of Kobe), and at dawn on the following day two of them came up off Mount Tempo in Osaka, one of the two advancing even up to the mouth of the River Aji. The appearance of a foreign warship so near to Osaka naturally took the citizens by surprise and produced a scene of no small consternation. Lord Ogasawara, together with Lord Yamaguchi, went aboard and saw the ministers of England, France, Russia, and the United States, who requested that the opening of the port of Hyogo to foreign trade should be decided on by the Shogunate immediately, and that if the Shogunate could not decide at once, they would proceed to Kyoto to negotiate the matter with the Emperor himself. At a meeting of responsible Shogunate officials in the castle of Osaka, it was decided to accept the request of the foreign ministers for the immediate opening of the port of Hyogo to foreign trade; but Tokugawa Keiki, who had hastened from Kyoto to Osaka when he learned what was in the wind, objected on the ground that it was not proper for the Shogunate to accept the request of the foreign minister without permission from the Imperial Court. Lord Abe explained that there was not time for them to communicate with the Imperial Court, and that although he knew that his acceptance of the request of the foreign ministers might be opposed by many of the people, yet that would be better than possible humiliation at the hands of the foreign countries. If the Court would not approve what the Shogunate had done, he added, the Shogun would have no other course except to resign his office and leave the matter to the Court for decision. Keiki and Lord Abe afterward argued the matter out in the Shogun's presence, and in spite of all that Keiki could say or even threaten, Abe stuck to his guns. The Shogun was very much embarrassed by the situation, but could not do anything, nor, indeed, did he know what to do. The perplexity is said to have brought tears to his eyes. Then Keiki returned to Kyoto and reported to the Court, which was highly indignant, and immediately issued an order that Lord Abe, by the Emperor's command, was deprived of his official position as well as his rank in the Court. Upon receipt of this order a conference of the lords related to the Tokugawa family and others was called in the castle of Osaka to discuss the reply. Lord Yamaguchi and Mukaiyama Yeigoro maintained that Abe being the Shogun's minister, and not the Court's, his appointment or dismissal was a matter to be decided upon by the Shogun himself, and the sudden dismissal of a minister of the Shogunate by the Imperial Court was tantamount to robbing the Shogun of his official responsibilities. At the time when Edo was confronted with so many delicate questions, such as the negotiations with the Choshu clan, difficulties with the foreign countries, etc., all pressing for settlement, the Shogun, they said, could not perform his duties satisfactorily if the Court arbitrarily dismissed the Shogunate's high officials. They suggested that the Shogun should resign his office, and return to Edo at once and see how things would develop. Their advice proved acceptable to Iyemochi, who declared that as he was incapable of directing the affairs of the Empire properly, he would resign his Shogunship in favour of Keiki, who might manage affairs in conformity with the wishes of the Court. He then retired from the conference room at once and instructed Mukaiyama Yeigoro to prepare his letter of resignation, recommending Keiki in his place, which he signed and instructed the Lord of Owari to present to the Court. In this letter Iyemochi restated the political circumstances which obliged Japan to open her country to foreign intercourse and trade.

The Imperial Court agrees for the first time to the opening of the Empire to Foreign Intercourse.—On the 2nd of October the Shogun was permitted to return to Edo, to the surprise of the whole country in view of the difficult diplomatic situation, and on the 4th an important conference was called in the palace to discuss the foreign relations of the Empire. Among those present were Prince Nakagawa, Prince Hitachi, and many other Court nobles, representing the Court, and Keiki, Lord Matsudaira, the Military Governor of Kyoto, Lord Ogasawara, and others, representing the Tokugawa Shogunate, the latter of whom again asked the Emperor's permission for the opening of the country to foreign intercourse. On the 5th another conference was called in the Court, when, in addition to the Court nobles and the representatives of the Shogunate, there were also present about thirty men from such clans as Kaga, Satsuma, Higo, Hizen, Inaba, Bizen, Tosa, Kurume, Yanagawa, Tsu, Aizu, Kuwana, and others, and Okubo Ichizo, of Satsuma, made the startling proposal that the Imperial command to negotiate with the English regarding retirement from Japan should be given to his clan, instead of to the Shogunate. Both Satsuma and Choshu had before this dispatched their own men to Europe, half official and half private in their functions, and directly negotiated with the Western countries, as if they were independent states. Their representatives went so far as to declare to the foreign Governments that their clans controlled the political situation in Japan, and therefore that whether Japan would open her country to foreign intercourse or not could be decided by them without regard to the attitude of the Shogunate. The foreign countries naturally believed in the political power of the two clans, especially in the case of England, which consequently entered into close relations with both Satsuma and Choshu. In fact, so close were the relations of the two clans with the foreign countries that the sudden visit of the foreign warships to Hyogo was rumoured to be the result of Satsuma's suggestion to England, their idea being to complicate still further the political situation in Japan, and fish in these troubled waters for their own advantage. At the conference held in the Imperial Court no definite decision was arrived at, but the majority of those present agreed that the policy of the Shogunate favouring the opening of Japan to foreign intercourse should be approved. Lord Ogasawara requested that the negotiations with the foreign countries should be left to the Shogunate, and Prince Nakagawa, agreeing immediately, left the conference room to see the Emperor and ask him for his approval, but before giving this His Majesty asked for further opinions of those present at the conference. Prince Nakagawa replied that the matter had already been discussed at great length, and in view of the different views expressed any more discussion would only cause further complications. Thereupon the Emperor gave way and handed an autograph letter to Prince Nakagawa, permitting the Shogunate to conclude treaties with the foreign countries for the opening of Japan to foreign intercourse. A condition was made that the port of Hyogo should be closed to foreign trade, but the Emperor in this letter for the first time approved in principle of the opening of Japan to foreign intercourse. On the 7th of October the Emperor sent a message to the Shogunate to the effect that he would not permit the Shogun Iyemochi to resign, and, in requesting him to stay, placated him so successfully that Iyemochi withdrew his resignation. Lord Abe was not permitted to return to his office, but his policy of forcing the Imperial Court to approve the treaties that the Shogunate had concluded with the foreign countries succeeded after all, and in this manner the Imperial Court approved the foreign policy of the Shogunate, which it had been so much opposed to, and the Shogunate was relieved of the great difficulty which had been confronting it for many years. The Choshu clan, which had advocated a strong anti-foreign policy, and even fired on foreign warships, had already asked for peace with the foreign countries, and now the Imperial Court officially approved the policy of the Shogunate in the matter of the opening of Japan to foreign countries, so that it seemed as if Edo had sailed into smooth waters. But the real situation was otherwise, and even more acute dangers were now threatening the Shogunate, for a split arose in the pro-Shogunate party and many offended by the forcing of Kyoto and the surrender to the foreigners severed their relations with Edo, and joined the forces of the anti-Tokugawa movement, thereby shortening the life of the Shogunate. Among the leading lords Yamanouchi Yodo was remarkable for freedom from anti-foreign bias.

THE EXPULSION OF THE FOREIGNERS, THE VOICE OF THE NATION.—There is no doubt that the expulsion of the foreigners from Japan and the continuance of the traditional isolation policy were favoured by the whole nation in those days. It is true that there were some advocates of the opening of the country to foreign intercourse and trade, but in most cases it was not because they thought any benefit would accrue to Japan, but because in view of the immense strength of the Western Powers they chose the lesser of two evils and preferred to open the country rather than to encounter open humiliations at the hands of foreigners. Very few truly believed that Japan would obtain any benefits from intercourse with the foreign countries, and were found among those who had studied Dutch or English, or Shogunate officials who had had opportunity to come in contact with the foreigners, official or otherwise, and had learned from them of the political conditions of the world. It is interesting to note that the true advocates of an anti-foreign policy for Japan in those days were not the clansmen of Mito and Choshu, as commonly believed, but were to be found among the lords who were loyal to the cause of the Tokugawa Shogunate. These men were, many of them, anti-foreign and eager to put their ideas into practice, but did not openly advocate an anti-foreign policy because they were afraid that if they did they would put their Shogunate into a gravely difficult position. They remained, therefore, silent on the foreign policy of Edo, but were as obstinate in their ideas about foreign countries as any other conservative samurai in those days; and as they were ignorant of world conditions they were self-conceited and had overmuch confidence in the power of Japan to deal with the Western nations. Had they been asked to take part in a secret ballot regarding the foreign policy of Japan they would all have voted in favour of the continuation of the isolation policy, and advocated the immediate expulsion of the foreigners.

In 1866 the Shogun Iyemochi died and was succeeded by Keiki, who had been his Regent for many years.

The Jingo Party in Choshu wins.—As we have seen, when the Shogunate sent its first punitive army to Choshu the clan surrendered to the Shogunate army without fighting at all. But this unconditional surrender caused an unexpected commotion among the clansmen, and it is now time to speak of the conditions in Choshu previous to this affair. When Japan was struggling under political pressure from the foreign countries in connection with the opening of her country to foreign intercourse and the Shogunate was at its wit's end in consequence, and it was generally believed that the days of the Tokugawa rule were numbered, so many private troops were organized in the territory of the Lord of Choshu that the country looked like an exhibition of different bodies of troops trained and organized in different ways, under different commanders, and having different systems, arms, and forms of training. Among them was a band, called Kiheitai or troops for surprise attacks, composed of volunteer soldiers picked from among young men of all classes without regard to whether they were samurai or commoners. The idea which prompted the formation of this volunteer force was that the sons of the high-class and other samurai families, long accustomed to a life of peace, would not make good fighters in time of war, and trained soldiers were necessary for a time of emergency. Takasugi Shinsaku, Yamagata Kyosuke, later Marshal Prince Yamagata, and Yamada Ichinojo, later Count Yamada, were the leaders. The way in which this troop was organized was revolutionary, and so were the ideas of the men who composed it. They objected to the treatment accorded to their lord and his men by the Imperial Court and the Shogunate, and disapproved of their daimyo and his leading retainers taking orders from Kyoto and Edo. To the latter they were strongly antagonistic and prepared for war with the Shogunate's forces, in spite of all Lord Mori could do to keep them quiet. Not only did they refuse to obey the command of their lord and the senior members of the Clan Government, but they denounced their fellow-clansmen, who acted in conformity with the policy of the Clan Government. Enraged by Lord Mori's tame surrender to the Shogunate, about eighty of these volunteers suddenly attacked the city of Shimonoseki one night, drove out the garrison there, and seized their munitions and military supplies, including money. At their summons not only their own comrades but many outsiders who disapproved of the surrender to the Shogunate flocked into the city of Bakwan, until Takasugi, Lord Yamagata, and other military leaders had under their command more than 1,300 men, who repulsed the force of 3,000 soldiers whom Lord Mori dispatched to suppress them. The rebels then advanced to Yamaguchi, the clan capital, where they put to death several of the clan officials who were responsible for Lord Mori's surrender to the Shogunate, captured and repaired the castle from which Mori had retired at the time of his humiliation, and kept the daimyo himself in their hands away from the senior retainers. Their activities were everywhere hailed with applause, and their jingo views became the public voice of the whole clan. Accordingly the older officials were dismissed and replaced by young men full of vigour and ambition, who, expecting that the Shogunate would soon dispatch another expedition against Choshu, lost no time in preparing for war. Sending to Shanghai, for instance, they purchased there from the English big guns, rifles, and ships for use in their expected hostilities with the Shogunate, which, however, they did nothing to precipitate so that they might have sufficient time for their preparations. Edo on its part was not satisfied with the outcome of its first expedition against Choshu and was planning to dispatch another, but did not realize that the Choshu clan was now reorganized completely from a military standpoint, and that the whole clan was full of martial spirit and fully prepared for a war with the Shogunate.

A SECRET ALLIANCE BETWEEN CHOSHU, SATSUMA, AND TOSA.—We have seen that the ambition of the Satsuma clan was to be the deciding factor in national politics, and the leaders of Satsuma by no means wished to see the Tokugawa Shogunate too powerful, nor the clan of Choshu pushed into an obscurity which would give Edo complete control of Japan politically. Sakamoto Ryuma and his political associates of the clan of Tosa, trading upon these desires, did everything possible to bring about a political alliance between the two big clans of Satsuma and Choshu, and, thanks to their efforts, the two clans which had been fighting each other politically for many years concluded a secret political alliance which was fated to effect vitally the situation in Japan. Edo, however, knew nothing of this combination and gave orders for its forces to advance against Choshu, as originally planned. On the 10th of April, while negotiations were still being held between the two parties, a force of over 200 volunteer soldiers from the Choshu clan suddenly attacked the Shogunate troops at Kurashiki in the province of Bicchu, and this abrupt, unexpected action took the Shogunate completely by surprise, which was increased by a letter which they received from Shimazu of Satsuma on the 15th of April, refusing to allow his troops to join in the expedition against Choshu. His letter unmistakably revealed the ambitions of Satsuma, but the statesmen of the Tokugawa Shogunate remained blind, and vainly argued the matter with Okubo Ichizo, a leading Satsuma statesmen, and many days passed in that way before they got knowledge of the secret alliance concluded between Satsuma and Choshu. On the 14th of June the Shogunate army, commanded by Lords Ii and Sakakibara, was miserably defeated by the Choshu forces along the main road leading to the province of Iwakuni, near Choshu, and it was then too late for the Shogunate to prepare against the combination of the two big clans.

THE SECOND EXPEDITION AGAINST CHOSHU.—The political alliance between the two clans, Satsuma and Choshu, not only surprised the Shogunate, but caused it to think twice about the expedition against Choshu, and it was only after much hesitation that it decided to carry on. Both the former Lord of Owari, the commander-in-chief of the first expedition, and his son, the present lord, declined to take the command, and it was offered to and accepted by Lord Tokugawa of Kii in the end. But Lords Ii and Sakakibara, commanding the advance guard, were not practised soldiers, nor could they boast of any great courage, and the men under them simply traded upon the reputation of their forefathers and the name of the lord whom they served. Lord Ii's soldiers wore the armour of their grandfathers and marched along, carrying long banners, blowing on trumpet shells, and beating drums, just as a daimyo with his retainers paraded along the Tokaido road to and from Edo. At the very name of their lord they expected the enemy to take to flight, and it is no wonder that in the first encounter with the Choshu men they were seriously defeated.

THE SHOGUNATE ARMY DEFEATED, AND THE DEATH OF THE SHOGUN. The Tokugawa Shogunate too had troops trained in Western methods, equipped with Western arms, and these were the men Choshu was afraid of; but the commander-in-chief kept these new troops far from the front line, which was held by old-style soldiers, equipped with the old weapons alone, who were easily routed by the

Choshu men, their defeat discouraging the whole Shogunate army. There were no big battles during the forty days after the entry into Choshu, but only skirmishes in which the Shogunate forces always got the worst of it and suffered severe casualties. On the 19th of July the Shogun Iyemochi died in Osaka, and Keiki at first declined to accept the proffered succession, and it was only a week after the death of Iyemochi that he gave way. Two days before the death of Iyemochi, Lord Shimazu of Satsuma had shown his hand and sent two steamer loads of troops to Kyoto via Osaka. Their lord explained to the Shogunate that he had done so for the protection of the Imperial Court in view of the serious situation created by the dispatch of an expeditionary force by the Shogunate to Choshu, and further declared that he considered the declaration of war against Choshu to be a gross error. At the same time, at the request of Choshu, Shimazu distributed among the lords a letter in which the position of the clan was explained and the sympathy of the lords appealed to. Of course the secret alliance between Satsuma and Choshu was now clear to everyone, and rumour after rumour circulated about possible developments in the political situation.

The Expedition withdrawn.—When he became Shogun Keiki made up his mind to push the operations against Choshu more vigorously, with the troops trained in the Western methods and equipped with the Western arms, and with this determination visited the Emperor on the 1st of August to bid him farewell as he was going to take personal command of his troops at the front. His Majesty gave the Shogun a sword as his personal gift and wished him every success. The news, however, that the Shogunate army in Kyushu had dissolved, the troops of the different clans all returning to their respective homes after the death of the Shogun Iyemochi, gave pause to Keiki and his generals, and Katsu Awa, one of the most shrewd, far-sighted statesmen in the last days of the Tokugawa rule, took the opportunity to explain to the Shogun the unfavourable position in which the Government was placed. "The two leading daimyos, Lord Shimazu and Lord Mori, have concluded a political alliance against the Tokugawa Shogunate," he said, "the lords supporting the Shogunate are discouraged by the death of the Shogun Iyemochi, and even a victory or two against the Choshu forces would not be sufficient to change the situation." For this reason Katsu suggested the expedition should be withdrawn. Keiki agreed, and on the 16th of August, accompanied by Lord Itakura, one of his Cabinet ministers, and other officials of the Shogunate, he visited the Imperial palace and saw Prince Nijo and some other Court nobles. At this interview he announced he had decided to abandon his plan of proceeding to the west to assume personal command of the expedition, and intended to call a conference of the lords in Kyoto in regard to the political situation, expressing, at the same time, his willingness to abide by the decision there made. Prince Nijo and Prince Kayo, the latter a Prince of the Blood, objected on the ground that as he had already received the Emperor's sanction, and been encouraged by His Majesty with a personal token, he should proceed with his original plan. But Keiki was obstinate, and immediately dispatched Katsu Awa to Choshu to negotiate peace with the leaders of that clan, and on the 22nd of August an Imperial rescript was issued announcing to the nation that the expedition against Choshu would be withdrawn on account of the death of the Shogun Iyemochi.

IWAKURA GUSHI COMES TO THE FRONT.—Seeing that the Satsuma and Choshu alliance and the collapse of the expedition to Choshu had produced a situation decidedly unfavourable to the Tokugawa Shogunate, Iwakura Gushi, a typical political intriguer in the Imperial Court, came to the front to play an important rôle in national politics. He first drew up a plan for a reform of the political system of Japan, which, at his instigation, was presented to the Imperial Court in the names of Nakamikado and twenty other Court nobles, who requested Prince Nijo, the Prime Minister, to arrange for them an audience with His Majesty so that they might present to the Emperor their plan for a political reform. Nijo did what he was asked to do, and on the 30th of August the nobles recommended to the Emperor four reforms: first, that a conference of the lords should be called to discuss the future of the political situation; second, that in view of the national difficulties of the Empire, which demanded able men at the head of affairs, all men of talent should be given an opportunity to help, and therefore every one imprisoned or dismissed from office in the *coup d'état* of Ansei should be recalled and given another opportunity of taking part in national affairs; third, that the Imperial Court should issue a rescript ordering the Shogunate to withdraw the expeditionary force from the frontier of Choshu, so that the nation might know the attitude of the Imperial Court toward Choshu; fourth, that although in the past the Imperial Court had often altered its once announced policy when it proved objectionable to the Shogunate, in the future this should not be repeated, and any policy once announced by the Court should be adhered to even in the face of opposition from Edo. The presentation of this memorandum drew down the wrath of the Emperor upon Iwakura and his associates, but Iwakura had already thoroughly discussed the matter with such leaders of Satsuma as Saigo, Okubo, Komatsu, and others, and had reached a perfect understanding with them. The plan of Iwakura and the leaders of Satsuma was to abandon the movement started by Satsuma for a political combination between the Imperial Court and the Shogunate, and launch instead a movement for the overthrow of the military rule of the Tokugawa Shogunate and restoration of the civil rule to the Imperial Court. Prince Nijo knew who was behind Iwakura and his friends and, fearing for his personal safety, offered his resignation of the position of Prime Minister, and Ohara Shinori, one of Iwakura's friends, carried matters further by impeaching Prince Nakagawa as political adviser to the Emperor and consequently responsible for the existing difficult political situation. Prince Nakagawa referred the case to the Emperor's personal judgment as to whether he should resign or not, and Ohara countered by asking His Majesty to give his consent immediately to the first two of the four recommendations. Much discussion followed, but the conference adjourned without arriving at any decision, which only drove Ohara and other nobles to continue their efforts to force Prince Nijo and Prince Nakagawa out of office, which they finally did by threatening them with assassination by Roshi. Prince Nijo and Prince Nakagawa both tendered their resignations on the 1st of September, but the Shogun Keiki and Lord Matsudaira of Aizu, in a representation to the Court, maintained that the two men should continue in office, and on the 27th of September the Emperor dismissed Ohara and many other nobles who had taken part in the Iwakura reform movement, and ordered the Lord of Aizu and the Lord of Kuwana to guard the residence of Iwakura Gushi so that he could not communicate with his political associates.

A CHARACTER SKETCH OF IWAKURA GUSHI.—Iwakura was cautious but daring and the greatest of all the political intriguers in the modern history of Japan. During the years of Kayei and Ansei, when the political power of the Tokugawa Shogunate was still strong, he paid no attention at all to the movement among the Court nobles tending to the overthrow of the Shogunate or the expulsion of the foreigners, for he knew that it would not succeed as long as the Shogunate remained strong politically. On the contrary, he attempted to ingratiate himself with Edo, so that he might not be suspected by the statesmen of the Shogunate. The marriage of Princess Kazu, the sister of the Emperor, to the Shogun Iyemochi was suggested and planned by Iwakura, and it was after that event that Iwakura became known as a political intriguer among the Court nobles. Many political changes followed weakening the fabric of the Tokugawa Shogunate, and at last its days seemed to be numbered. Iwakura then made up his mind to overthrow the Shogunate and restore Imperial rule in the place of the military rule of the Tokugawa, and joining the movement aiming at the downfall of that family, he attempted to change the attitude of the Imperial Court to fit his views. But he was distrusted by the Court nobles because of his intrigues, and how much distrusted he was can be seen from the fact that when they received the news that Iwakura had joined the movement against the Shogunate, the anti-Shogunate nobles who were then refugees in Choshu refused to trust him and suspected the purity of his motives. Like many of the Court nobles in those days, Iwakura was very poor, and was once reduced to permit a gang of gamblers to make use of his residence and lived on the proceeds. It may be added that the residences of the Kyoto nobles were beyond the jurisdiction of the police, and the gamblers were quite safe within their compounds. As he was so poor and associated with the lower classes, Iwakura was well informed of the condition of the people at large, and with this advantage he was shrewd enough to see where the general tendency of the day was moving. No other Court nobles nor any of the leaders of the different clans could be compared with Iwakura in this respect. The activities of this shrewd man indicated that the star of the Tokugawa Shogunate was fast setting on account of its difficulties both internal and external.

TENDENCIES TO THE RESTORATION OF IMPERIAL RULE.—On the 25th of December the same year, or fifty days after Ohara and other Court nobles had been dismissed, the Emperor died of smallpox and the Crown Prince, then fourteen years old, immediately ascended the throne, Prince Nijo being appointed Regent. This youthful monarch was the Emperor Meiji, the greatest ruler modern Japan has yet had. Upon the death of the Emperor Komei, the Shogun Keiki proposed that the Imperial Court should issue a rescript that owing to the demise of the Emperor the expedition against Choshu should be withdrawn, and although the daimyos of Kuwana, Aizu, and others, who were afraid such a step would strengthen the political position of Choshu, objected vigorously, Keiki would not listen to them. He was also willing to overlook all the past actions of lords and Court nobles who had worked politically against the Shogunate and to co-operate with them for the general interests of the Empire, and suggested that the Court withdraw the order of punishment against the seven Court nobles who were then taking refuge in Kyushu and other nobles who had been imprisoned for political offences. But Shimazu of Satsuma, with a force of several thousand soldiers, had already arrived in Kyoto on the 11th of September, and on the 14th Okubo Ichizo, of Satsuma, concluded with the Lord of Choshu in Yamaguchi an offensive alliance against the Tokugawa, which was later joined by the clan of Aki. Edo knew nothing of this, and the Shogun Keiki thought that if he observed the wishes of the Imperial

Court he could preserve the Shogunate, and accordingly proceeded with this policy. On the other side, the two clans of Aizu and Kuwana and the ambitious officials of the Shogunate insisted on giving a fatal blow to Choshu, and endeavoured to persuade Edo to accept their policy. The statesmen of the three clans, Choshu, Satsuma, and Aki, who concluded an offensive alliance against the Shogunate, and decided to declare war against the Tokugawa, were not necessarily very far-sighted, but were forced into what they did by the trend of the political circumstances and only followed the course which was presented to them. In those days, as a matter of fact, Japan had two Governments : one the Tokugawa Shogunate, and the other the Imperial Court in Kyoto. For many years past the Tokugawa Shogun had been regarded as the *de facto* ruler of Japan, but the Imperial Court now began to take actual part in politics, and the ambitious Court nobles, in co-operation with certain lords, lost no chance of aggrandizing the political power of Kyoto. On many occasions the two Governments differed from one another in regard to the conduct of national affairs, and there was constant friction between Kyoto and Edo. In these circumstances, that Japan should be ruled by one Government instead of by two was the wish of most Japanese, and the leaders of Satsuma, Choshu, and Aki appreciated this general tendency of the nation in proposing that the civil rule of the Imperial Court should be restored in the place of the military rule of the Tokugawas, and Japan should be consolidated politically under one Government, the Imperial Court. Their alliance therefore was in accordance with the general tendency of the day, but it created a very complicated political situation, for if the allies took up arms against the Shogunate the civil war thus started was likely to last long and cause serious suffering. Lord Yamanouchi of Tosa, seeing danger in this situation, concluded that the best way to avert serious civil war would be for the Tokugawa to return to the Imperial Court the political power hitherto bestowed on the Tokugawa Shogunate to rule over the Empire, and thus consolidate Japan under one strong Government, as desired by the majority of the nation. On the 4th of October, therefore, he dispatched Goto Zojiro, one of his retainers, to Kyoto, to present to the Court a representation in which he suggested that " the Empire should be ruled by one Government, instead of by two as at that time, and that all affairs of national importance should be decided at the conference of the lords." Among the chief points of his representation are the following :—

> The ruling power of Japan is with the Imperial Court, and the institutions, regulations, rules, etc., of the Empire should be decided on by the Imperial Government in Kyoto.

The Legislature of the Empire should consist of two chambers, and the members of these chambers should be elected from among all classes of the people, from the Court nobles down to the commoners, to take part in the legislation of the country.

Schools should be established in the cities and towns, so that boys and girls may be taught learning, arts, etc.

The methods of dealing with the foreign countries should be negotiated with the representatives of these countries at the port of Hyogo after a conference of the responsible officials of the Imperial Court and the lords, and in the place of the present treaties, new treaties should be concluded with these foreign countries, based upon the principle of candid righteousness, and trade should be carried on with these countries in accordance with such new treaties. The guiding principle in our intercourse and trade with the foreign countries should be always to maintain their confidence in us.

That we should have adequate naval and military forces is essential for the Empire, and the War Office should be established in Kyoto or neighbourhood, and the Army and the Navy should be trained in such a way as not only to guard the Imperial Court properly, but to be regarded as the best army and navy in the world.

From about the Middle Age the political power of Japan was with the military class, but since the visit of the foreign warships to these parts, Japan has been confronted by many difficulties, both internal and external, and the control of political power is about to change hands. This is a natural tendency, and what we must do at this juncture is to reform our old customs, which do not fit the circumstances of the day, and endeavour to lay down fundamental principles for the political consolidation of Japan, setting aside all minor political differences among ourselves.

Some of the present institutions, regulations, etc., of the Imperial Court are such that they are not suitable to the existing circumstances, and they should be discontinued. The institutions, regulations, etc., of the Court should be all fundamentally reformed to make them fit the prevailing circumstances and enable Japan to hold her own position as an independent country among the nations of the world.

The members of the Legislature, who shall take part in the legislation of the Empire, should always act upon the principles of justice, but not upon the basis of their personal interests. They should be honest and not intriguers, and should endeavour in co-operation to carry out a drastic reform in the political system of the Empire, without sticking too much to their past differences or beliefs. Effective action should be encouraged, but mere talk should not.

KEIKI RETURNS THE RULING POWER TO THE IMPERIAL COURT.—This representation from Tosa put the Shogun Keiki in a very awkward position. Somewhat of a scholar, he could not make up his mind to force the Imperial Court to act in conformity with the wishes of the Shogunate, as many military men had done in the past in similar circumstances, nor were his political ability and personality such as to win the absolute confidence of the Imperial Court. When he learned of the Satsuma-Choshu alliance, he was very indignant and wanted at once to resort to arms, but found no sincere support among the officials of the Shogunate, most of whom regarded Keiki as a usurper of the office of the Shogun, because of his relations with the Mito clan and his past actions, for they felt that the Mito clan had usurped the Shogunate, to the detriment of the main branch of the Tokugawas, and Keiki was a son of Lord Nariaki of Mito. Their sentiments towards him were quite cold, and they gave him no encouragement in his idea of fighting with the combination of Satsuma and Choshu, though the alliance of the two clans was sure to have a far-reaching effect upon the future of the Tokugawa Shogunate. Keiki was politically experienced and clever enough to understand and perform his dutes as the Shogun, but he lacked one important part of a man's equipment, courage, clever as he was. He had not courage to cope with a situation which his fears depicted as dark and hopeless, and he could see nothing for it but to adopt the suggestion of Lord Yamanouchi. He therefore made up his mind to resign his office of Shugun and return to the Imperial Court all the political power of the Tokugawa Shogunate, his family descending thereby to a level with the lords. At a meeting of the Tokugawa retainers he told them of his determination, which no one opposed, though there was no doubt they were not pleased, and on the 14th of October, 1867, in a letter to the Emperor, he expressed his wish to return to the Imperial Court the ruling power of the Tokugawa Shogunate over the Empire. As soon as the Shogun had sent in his letter, Goto Shojiro and others concerned, afraid that the Court would refuse to accept the resignation out of fear of the possible consequences, visited Prince Nijo, the Regent, and advised him to accept Keiki's proposal, which he agreed to do. As a matter of fact, the whole affair was a speculation on the part of Goto and Keiki. In proposing that all the national affairs should be decided by public opinion, Keiki meant to call a conference of the lords, at which he should preside. He knew that though some of the lords were fundamentally antagonistic to the rule of his family, most of them were more or less under obligation to the Tokugawa, and though not perhaps prepared to fight for them, had a friendly sentiment for the family. Neither Shimazu nor Mori would be able to control the lords any better than the Tokugawa; in fact, their difficulties would be greater, and as President of the Council of Lords, in other words, as Premier, the head of the Tokugawa, though no longer Shogun, would maintain a supreme position. Such was indeed the conviction held by Keiki, Goto Zojiro, Katsu Awa, and others working in the interests of the Tokugawas. When they learned of Keiki's action, the loyal retainers of the Tokugawa in Edo were surprised, and so much excited that they proposed to come up to Kyoto, to help him out of his difficulties and persuade him to give up his idea of resigning, but Katsu Awa restrained them from any hasty action.

THE RESTORATION OF IMPERIAL RULE ANNOUNCED.—Against the bold throw of the Tokugawa the Court nobles and the men of Satsuma and Choshu planned a still bolder scheme. When the young Emperor ascended the throne, Prince Iwakura gained a strong position in the Imperial Court, and was now the *de facto* leader of the nobles there, conferring on behalf of the Imperial Court with the leaders of Satsuma and Choshu with regard to the political situation, his idea being to strip the tottering Shogunate of all political power and consolidate the Empire under the direct rule of the Emperor himself. To a Court thus pervaded by the influence of Iwakura Keiki presented his proposal to return to the Emperor the ruling power of Japan, a proposal which was promptly accepted. At the same time, however, the Court issued an Imperial rescript to the Lords of Satsuma and Choshu, bidding them to use their troops to punish Keiki and the Lords of Aizu and Kuwana, both of whom supported the Tokugawa Shogunate; and on the 8th of December instructed the five clans, Owari, Echizen, Satsuma, Tosa, and Aki, to set guards on the principal gates of the Imperial palace and the residences of the Court nobles engaged in the political movement. Thus prepared, the Court was about to issue a rescript announcing the restoration of Imperial rule in the place of the military rule of the Tokugawas. Goto was greatly puzzled, and reminded Iwakura of his promise that on the day on which the restoration of Imperial rule, as well as the discontinuation of the Shogunate, was to be announced, Keiki, who was surrendering his high office for the good of the Empire, would be appointed to an important position in the Court to placate the retainers of the Tokugawa. " Why, then, on that particular day were all the gates of the Imperial palace guarded by armed men, as if it were the intention of the Court to deprive the Tokugawas of their political power by force ? " Iwakura replied that everything had been done in accordance with the decision of the majority in the Court, and he was helpless. All the Court nobles who had been imprisoned for political offences were at once set free, and an Imperial rescript was issued abolishing the Shogunate system, together with the system of Gosekke, which gave a monopoly of political rights to the Fujiwara family and forbidding the Court ladies to take any part in politics.

THE CONFERENCE AT THE KOGOSHO PALACE.—Prince Arisugawa was named the Superintendent of the new Government, Prince Ninnaji and such Court nobles as Nakayama Ogimachi, Sanjo, and Nakamikado, with the feudal lords of Owari, Echizen, Aki, Tosa, and Satsuma, were named advisers, and Ohara, Madenokoji, Hase, Iwakura, Saionji, and Hashimoto, councillors. In addition, three men from each of the five clans, Owari, Echizen, Aki, Tosa, and Satsuma, were appointed councillors. The Court nobles, who had favoured a political combination between the Imperial Court and the Shogunate, were ordered to confine themselves at their respective homes and forbidden to visit the palace. The Nijo Castle in Kyoto was then garrisoned by the troops of the Tokugawas and the two clans of Aizu and Kuwana, while the Imperial palace in the same capital city was held by the troops of the aforesaid five clans, so that a very peculiar situation developed. On the 8th of December, 1867, the new Government held its first meeting at the Kogosho palace, attended by the advisers and councillors. Lord Yamanouchi of Tosa was the first to speak, and proposed to summon Keiki to attend the conference. Keiki himself had been very much surprised and wounded by the attitude of the Imperial Court, which attempted to treat him as a surrendered enemy, and concluded that he must use force to drive the ill-advisers and political intriguers out of the palace. However, he saw a difficulty in employing his military forces in Kyoto, for his political enemies would immediately accuse him of waging war against the Imperial Court, and thus make him guilty of disloyalty to the Throne, a crime detested by all Japanese, and he therefore instructed the Lord of Aizu to send his troops back home and make preparations for war. But while the ex-Shogun thus hesitated and lacked courage to carry out any of the plans which his fertile mind suggested, his generals and troops felt no such hesitation, and were indeed driven to action by the rapid developments of events in Kyoto. On the 12th of December they retired from Kyoto to Osaka, making thus a decisive demonstration against the Imperial Court. Their anger was increased by the fact that the Lord of Choshu and his father, who had been charged with disloyalty towards the Court because of their bombardment of the Imperial palace in Kyoto some time previous, were not only pardoned for their offences, but granted a special rescript appreciating their loyal services of many years towards the Imperial Court. When they remembered the harsh treatment extended by the same Court to their lord, the retainers of the Tokugawa panted for revenge and determined on war with the clans who had prompted the Court to such action. Keiki himself made to the Imperial Court a representation in which he strongly denounced it for its recent political actions, and at the same time ordered the lords throughout the Empire to come to Osaka with their respective troops to co-operate with him in finding a solution of the political problem. He had by now determined on his attitude towards the political situation, which was steadily going against the Tokugawas, and in his representation he explained himself fully. It may be said to mark the zenith of his political life, which was full of troubles and difficulties.

IWAKURA DETERMINED TO OVERTHROW THE TOKUGAWA RULE.—From Keiki's letter and the actions of the Shogunate at that time its attitude towards the situation was almost certain, but Iwakura and his associates, backed by Satsuma, and also knowing that the troops from Choshu would soon arrive in Kyoto to join the anti-Shogunate force, would not budge, and carried on with their predetermined plans against the Tokugawas. Iwakura knew that, in spite of the indignation among the followers of the Tokugawa which he had inspired, there was no one who could form them into an organized force against the Imperialists, and was aware that in view of the widespread anti-Shogunate sentiment, and the strong desire for the restoration of Imperial rule, Lord Yamanouchi and others, who disliked his treatment of the Tokugawas, and advocated more lenient measures, would not revolt against the Imperial Court in any case, even though he might refuse to follow their advice, so afraid were they of running counter to the sentiment of the people favouring the restoration of Imperial rule. Thoroughly acquainted with the circumstances and attitude of the opponents, Iwakura made up his mind to proceed against the Tokugawa Shogunate without hesitation, speaking openly of his plans and carrying them out without regard to the attitude of the pro-Shogunate lords. He was determined to overthrow the Tokugawa Shogunate by any means. In his opinion, the power of government is such that it should be taken from others by force and not smoothly transferred, for he believed that political power thus gained had no lasting strength. He would not, therefore, listen to Goto and others, who advocated a lenient attitude towards the Tokugawa Shogunate, and when Lord Yamanouchi threatened to quit the conference if Iwakura would not accept his proposition in regard to the new Government's treatment of Tokugawa Keiki, the stubborn noble replied that he did not care if Yamanouchi did quit the conference and return home. He was firmly bent on depriving Keiki of his territory and Court honours.

IWAKURA DEFINITELY OPENED JAPAN TO FOREIGN INTERCOURSE.—Iwakura not only took such a high-handed policy against the Tokugawa, but also acted courageously, and even boldly, in Japan's foreign policy, which was definitely decided by him in favour of the Empire being opened to foreign intercourse. As he was sure that the new Government was soon to rule over the Empire in the place of the Tokugawa Shogunate, he wanted to remove all possible obstacles in its way, and one was the anti-foreign sentiment of the Japanese which had been fostered by the Imperialists, and from which the Tokugawa Shogunate was suffering. On the 18th of December he suddenly called a meeting of the responsible officials of the new Government, at which he made the following announcement: "As everybody knows, for many years past the Imperial Court had adhered to an isolation policy under which all the foreigners were to be at once expelled out of Japan, but it must be remembered that since the Court agreed to the Shogunate's proposal for the opening of the port of Kobe to foreign trade some time ago, its foreign policy has undergone an entire change, and now the Court advocates the opening of the Empire to foreign intercourse. The Imperial Court will hereafter maintain intercourse with the Courts of European and American countries in the same manner as with that of China, and there shall be no discrimination made between them at all," etc. This abrupt announcement of the complete change of Japan's foreign policy greatly surprised not only the other Court nobles, but also Iwakura's own associates. Tamamatsu Misawa, who, as his confidential adviser, had been working with him in the political reform, was particularly indignant and, declaring that Iwakura had betrayed him, severed his relation with him. Iwakura's other associates, too, were equally angry, but his action was so abrupt and decisive that they had no chance to transmute feeling into action. In fact, nothing could daunt Iwakura in the determination at which he had arrived after a careful investigation into the then existing political circumstances. At one time his attitude towards the situation had been rather ambiguous, and he had been politically suspect, but now he came out with a candid, definite plan for a complete political reform of the country. The political system that Iwakura proposed to establish in the place of the old one was one in which the Emperor personally would rule over Japan. Then, seeing that the anti-foreign policy that had been advocated by the politicians and others, partly out of ignorance of the political conditions of the world and partly for the purpose of putting the Tokugawa Shogunate in a difficulty, would prove an obstacle in the road of the new Government, Iwakura removed it by announcing a complete change in Japan's foreign policy as detailed above. Had the movement in Kyoto at that time been controlled by Court nobles without any particular political ability, instead of by Iwakura, the political reform might have not been carried out so completely as it was, or even might have failed. The success of the reform of 1868, which is the greatest event in the political history of modern Japan, should be largely attributed to Iwakura's political ability, and his great merits in this connection should be appreciated by his countrymen.

THE FINANCE OF THE IMPERIAL COURT.—Iwakura had already driven the Tokugawa out of the political ring, so to speak. He now looked for financial resources to support the new Government, and thought that the shortest way to get them was to strip them from the Tokugawa Shogunate. The Imperial Court that had to support a large number of Court nobles was indeed in a very difficult financial position. A few days previous to the announcement of the new regime there was only twenty or thirty days' stock of rice in store and very little money. Even apart, then, from future plans, it was an immediate necessity for the Court to get new financial resources for its support, and this was why Iwakura wanted to deprive the Tokugawas of their territories and confiscate them to the Court.

KEIKI ADVANCES ON KYOTO WITH HIS TROOPS.—The position of the new Government was thus steadily established, and the supporters of the Tokugawa Shogunate were not only dissatisfied but indignant with the political situation in Kyoto. Lord Matsudaira of Aizu, the then Military Governor of Kyoto, was the most discontented and sent back some of his close retainers to Aizu with the news of the serious aspect of the situation in Kyoto. The recent change, he said, was due to political intrigues of men who had the Emperor in their hands, and that a civil war might be inevitable in order to clear the Imperial Court of these ill-advisers. The men of his clan should be determined to fight it out with the wicked men now controlling the Imperial Court, and should strongly guard the frontiers of their territory against possible invasion by an enemy force. Matsudaira not only hated Satsuma and Choshu, but firmly believed that the late Emperor had favoured a political combination of the Court and the Shogunate rather than the overthrow of the Tokugawa. In his view, it was only Satsuma and Choshu, and the nobles politically associated with them, who wanted to overthrow the Tokugawa rule and establish a new rule in its place, and he was determined to fight against their intrigues. On the 26th of December the leading men of such clans as Awa, Chikuzen, Sendai, Higo, Tsu, Kurume, Yanagawa, Nihonmatsu, Hizen, Tsushima, and Shibata, all on the side of the Tokugawa Shogunate, presented a memorial to the Imperial Court, in which they complained of the harsh treatment of Keiki by the Court, saying that such treatment of the retiring Shogun would only arouse the anger of his sympathizers and make the political situation more difficult. Previous to this the Court had adopted every possible means to persuade Keiki to return the territories held by the Tokugawas, and found it very inconvenient to negotiate with him as long as he stayed in Osaka guarded by his troops. What the Court wanted was to see him in Kyoto without his troops, but Keiki, in spite of the Imperial request, was not to be easily persuaded to leave Osaka.

Both parties were employing tactics and intrigues against each other. The politicians of the Court were planning to attack Keiki in Kyoto, if he came up to the capital without his troops; and Keiki, while replying to the Court that he would come up to Kyoto as requested and try to find a peaceful solution of the political situation, had really no intention of the kind, and on the contrary was preparing for an attack on Kyoto with his troops. By the 2nd of January, 1868, he was ready to advance to drive his political opponents out of the Court, but before going any further the retiring Shogun dispatched Lord Takigawa with a letter of appeal to the Throne, in which he criticized the recent actions of the Court, for which he held the present Court officials responsible and demanded their dismissal.

On the 3rd of January the army of the Shogunate, divided into two forces, started from Osaka and advanced on the city of Kyoto, whence they were repulsed after an action lasting some hours by the troops from Satsuma. Seeing that he could not regain the ground in Kyoto, on the night of the 6th of January Keiki, accompanied by a few of his important retainers, sailed for Edo by the *Kaiyo-maru*. It is said that the chief accountant of the Shogunate sent to Edo by the same ship 180,000 ryo in Kokin gold, being all the gold specie held by the Shogunate in its treasury in Osaka.

THE TOKUGAWAS FALLEN AND THE NEW GOVERNMENT ESTABLISHED. After Keiki left, the Shogunate troops in Osaka broke up and scattered in all directions. The Imperial Court deprived Keiki and others of their offices, titles, honours, etc., and announced it to the nation, at the same time publicly charging the Tokugawa with crimes, and issuing an Imperial rescript that a punitive force be sent against the Tokugawa Shogunate. Prince Arisugawa was appointed the commander-in-chief of the Imperial army, which advanced on Edo by three roads, the Hokurikudo, Tokaido, and Tosando. At Shizuoka Prince Arisugawa established his general headquarters, and the advance guard of the army reached Shinagawa, planning to make an assault on the castle of Edo, which was occupied by the Shogun, on the 15th of March. At that time the Tokugawa generals were holding a conference on the situation, but they could not decide anything. Katsu Awa, the most far-sighted statesman on the side of the Shogunate, negotiated with the representatives of the Imperialist army, and advised Keiki not to fight but to surrender unconditionally to the Imperialists when they arrived in Edo. Keiki agreed, and on the 15th of March made his word good. So ended the Tokugawa rule, 287 years after Tokugawa Iyeyasu had founded the Tokugawa Shogunate in Edo, and on April 10th the Imperialist army completely occupied the castle. Certain generals and retainers on the side of the Tokugawas, who were not satisfied with the unconditional surrender of their Lord Keiki, attempted to resist the Imperialist troops here and there but without success, and retired to join the Shogunate supporters in Aizu and Echigo. The Imperialist army invaded these two provinces, where they stormed the castles of Aizu, Shibata, Nagaoka, Yonezawa, etc., and by September, or six months after the surrender of the Tokugawas in Edo, their supporters were driven out of the provinces and the Imperialists completely occupied them. On the 27th of August of the same year, coronation ceremonies were held for the young Emperor in Kyoto, and on the 8th of September the name of the era was changed to Meiji, and the name of Edo to Tokyo. Thus Japan was again consolidated under the Emperor's direct rule, and peace was completely restored throughout the Empire.

CHAPTER LXXXII

THE LAND AND TAXATION SYSTEM IN THE TOKUGAWA PERIOD

The Ashikaga Land System revived in the Tokugawa Period.—As stated in the preceding chapter, prior to the Tokugawa period, rights over land were of two classes, Jochi-ken and Gechi-ken, the former developing into merely the right of control and the latter into ownership, both rights being salable articles. In Ashikaga times the taxes began to be paid more in money than in kind, but the system was a chaotic one, and rates of taxation varied throughout Japan. When Hideyoshi came into power he carried out an adjustment of the land and taxation system which then prevailed, and in their turn the Tokugawa revised the taxation system established by the Toyotomis. Hideyoshi concentrated all the taxes on land, discontinuing the miscellaneous taxes that had been raised prior to his time, but his successors, the Tokugawa, reverted to the minor taxes as in Ashikaga days, over and above the land-tax. Under Hideyoshi's land system, out of the total output of rice from the arable land, the Ryoshu or lord, who possessed the right of controlling the land, took two-thirds, and the remaining one-third went to the farmer, who held the Gechi-ken or right of cultivation or true ownership over the land, and who actually worked on it. This system, too, was abolished by the Tokugawa as soon as they grasped the reins of government, which left Japan again without a common rate of taxation in practice all over the country, and both land and taxation system fell back into the chaotic state which characterized the Ashikaga period. Toyotomi Hideyoshi accomplished his political achievements in a very short time, and they were quickly undone by Tokugawa Iyeyasu's reactionary policy, and the same was the case with his systems of land and taxation. Generally speaking, therefore, the land system of the Tokugawa period was nothing but a revival of the land system operated in the later years of the Ashikaga Period.

The Nanushi Shoya and the Gonin-gumi Systems.—Though the new land and taxation systems, established by the Law of Taiho, were given up and the old Ashikaga system again adopted by the Tokugawa Shogunate, that does not mean that the work of Hideyoshi was completely undone and the Ashikaga system revived in every respect. Some of Hideyoshi's reforms were continued under the

Tokugawa administration, and certain systems or institutions had developed in the years that separated the Ashikaga from the Tokugawa. The Nanushi system is a case in point. It started towards the end of Ashikaga, but developed and was adopted in almost every village throughout Japan under the Tokugawa administration. Then there is the Gonin-gumi system. This was not exactly originated by Hideyoshi, but it was he who enforced it among the samurai class, and the Tokugawa introduced it among the civilians in the towns and villages all over Japan. The system was in fact a sort of self-government which the Tokugawa Shogunate enforced throughout the country, and one feature of their local administration was a kind of committee in each village or country, composed of an official dispatched by the Shogunate and members elected from among the villagers, whose function it was to collect the taxes, convey to the villagers the orders that were issued by the Shogunate from time to time and transmit to the local lord or the Shogunate the wishes of the people. The committee, which was of a semi-official character, worked between the people and the Government, and was certainly an advance over the Ashikaga period, though in the taxation system the Tokugawa reverted to the practices of their predecessors. The committee, as we have seen, was composed of officials of the Central Government and popularly elected members and conducted the administrative affairs of its own village or town, but the nominated and elected members did not hold equal powers, as they do in the self-governing system of to-day. In the Tokugawa system the Government members of the committee represented the Central Government in local administration and were superior to the people's representatives. In no case did they collect taxes or act through the popular representatives. The system was not, then, exactly a self-governing system in the strict sense of the word, but contained the germ of self-government from which a proper system sprang later. The Government representatives on the committee were called in the Shogunate's territories the Gundai or Daikwan, and the people's representative the Nanushi or Shoya, that is, head-men. Below them were the Kumigashira, section heads, and Toshiyori, eldermen, who, under their superior, actually conducted the public affairs of the village.

ORIGIN OF THE NANUSHI.—Before Ashikaga the Nanushi had limited functions and less power than in Tokugawa days, for in the days of the great manors and the Hojo period the Nanushi was a military man, and his principal function was to look after military affairs, though often he was the head of his village. During the Nara Dynasty it was regulated that fifty houses, both military and civil, should form a village, with a head for each village, his official function being to inspect the houses composing his village. In those days no distinction was made between the military and civilian inhabitants of each village, where both classes lived mixed, and the main function of the village head in those days, unlike that of the Nanushi, was to look after the military services of the fifty houses composing his village. Times, however, changed, and in the last phase of Ashikaga a definite distinction was made between the military class and the civilian, and the military men all removed to towns and cities. The farmers alone remained in their old villages, and from among the most distinguished of these farming villagers, both in family lineage and riches, was named the head of the village, the Shoya or Nanushi, to look after public affairs.

The Nanushi in the Early Days and Later.—The Shoya or Nanushi of the early days, then, were different from those of the Tokugawa period, who were selected from among the farming villagers themselves, their offices having no military character at all. The Nanushi and the Shoya of the Kamakura period were the remnants of the institutions of the age of manor houses, and Nanushi must mean the owner of the Meiden. (For particulars of the Meiden, refer to the chapter on "Age of the Manorial System" in Vol. I.) How is it, then, that the Nanushi and the Shoya, who under the old institutions belonged to the military class, came to belong to the civilian class and represented the farmers ? The explanation is as follows. That the feudal lords of later years, daimyos, as they were called, sprang from the class of big land-owners and attained their political positions by seizing the opportunities presented to them by the changes of the times is true enough, but not all the big landed proprietors could rise to the occasion. Those who held a big area of land and were supported by a large number of relatives and followers had a chance of pushing their own way and attaining tangible political influence for themselves when the opportunity came their way. These are the men who were the feudal lords in later years, became national figures and left the village. The smaller land-owners, not backed by family or retainers, stayed on and, distinguished alike by lineage and wealth, became leading local figures. During the Ashikaga period the delegates of the Shogunate in collecting taxes or transmitting the orders of the Government to the people did so through this class of distinguished local men, and by and by this particular class came to be regarded by the Government as the heads of the farmers, were naturally recognized and given the power of managing the public affairs of their respective villages.

The Protection of the Farmers encouraged.—From the Kamakura period, then, up to the time of the Ashikaga administration many of the big private land-owners won political influence and became feudal lords, while the smaller owners remained among their fellow-farmers and, assuming the position of Nanushi and the Shoya, grasped more or less power in their respective villages. This political revolution in the farming districts went on faster and more extensively under the Oda and Toyotomi administrations. For many years following the Hojo period there was no definite distinction between the military class and the farming people. The leading farmers were the samurai, and the most distinguished of the samurai class were the feudal lords, the daimyos, and all these distinguished people, as well as the other farmers, lived together in the villages which were not only rich but politically powerful. The Oda and Toyotomi periods saw a great revolution in the construction of castles, the making of arms and ammunition, the methods of war, etc., and, as a result of this, the feudal lords each had to have their generals and men residing together around their castles, to concentrate their military strength where they lived. Consequently the military men, who constituted the principal influence and intelligence of the farming villages, all moved to the towns where the castles were situated, and only the farmers actually engaged in working on the fields were left behind in the villages. This great revolution deprived farming villages of their main influences and power, and to make the situation worse for the farmers, Hideyoshi's revision of the land system brought more pressure upon the farming districts. Inspection disclosed a large area of newly opened arable land which had escaped taxation, and this Hideyoshi made subject to the tax-gatherer, besides increasing the land-tax, so that the popular burden was made much heavier. To pay the increased burden of taxes the people had to work harder than before, and were worse off than they used to be. At that time there were still ardent and brave men on the land who were by no means satisfied with the condition created by Hideyoshi's revision of the land system and occasionally rose in rebellion, but by that time the troops of the feudal lords were well trained and organized ; the farmers could not cope with them, their risings were quickly suppressed, and the discontented elements eradicated from the agricultural districts. By the end of the Toyotomi period the peasants were nothing but farming serfs, who obediently worked on their land. The Nanushi and the Shoya in the villages, too, had not ambition or energy enough to push their way into the samurai class, but contented themselves with representing their fellow-farming serfs. Japanese farming districts in those days reached the lowest ebb in all our history, and had not a change come must have been entirely destroyed. Some lords attempted to bolster up the farming districts because their decay meant a direct loss to themselves, living as they did on the taxes paid by the cultivators, in most cases confining their help to protecting the farmer from samurai oppression, but certainly were more far-sighted and, besides restraining the tyranny of the samurai, encouraged agriculture by various means. Naoye Kanetsugu, a retainer of Lord Uyesugi with domains in the province of Yanagawa, was one of these men. How he encouraged the farmers in his territory is told in the book *Teachings to the Farmers in the Different Seasons of the Year* :—

> During the month of April, when the tilling of the rice-fields is necessary, men should work with their hoes from early in the morning till late at night. Their wives or daughters should prepare food for the men, and take it to the fields where their men are working. These women should wear red hoods, and serve the men with their meals in the fields. They should be dressed attractively so that their company at the meal-time on the rice-fields may cheer up their men-folk, who will get thus a good recreation after their hard work.
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> In the month of May the men work on the beds of rice plants, singing the rice-plant songs. The wives should paint their faces, lips, etc., wear good clothes and sedge-hats, tuck up their skirts to show white cloth gaiters, and plant in the paddy-fields the young rice plants brought there by their men from the beds. While working on the paddy-fields the women should sing such songs as deal with love between man and woman, so that the gods of the mountains may be pleased.

In these instructions Naoya appealed to the hearts of the farmers.

THE GONIN-GUMI SYSTEM ESTABLISHED.—When the Tokugawa had consolidated Japan politically under their rule, the necessity of protecting the farmers was strongly felt by the different feudal lords as well as the Central Government, and the matter was regarded as one of national importance. It was felt that the farming villages not only required official protection and encouragement, but should be organized and trained under a self-governing system, and with this end in view the Government adopted a self-governing system called Gonin-gumi, or Five-Men System, in every farming village and town. Under this system every five houses formed a group, with a headman called Kumi-gashira, or Head of the Group, and several such groups formed a village under a head-man called Nanushi, through whom the Government acted. For instance, in issuing laws or regulations they were announced first to the Nanushi, who then transmitted them to the Kumi-gashira, and the latter to the men of his group. The taxes, too, were collected through these head-men, acting on behalf of the Shogunate or feudal lords. In the case of a hue and cry after robbers or thieves, the Nanushi had to make a search through his village and bid the Kumi-gashira examine the members of their respective groups. The five members of each group were held responsible jointly for whatever any of them did, and in case any member of a group committed a crime and the other members shielded him, if the criminal was discovered by somebody else, not only all the other members of the group had to bear responsibility for the crime jointly, but the Nanushi of the village, too, had to share in it. This Gonin-gumi system was not an innovation of the Tokugawa Period, for in early times a similar system was adopted, modelled on a system in China under the Tuang Dynasty. For several hundreds of years after it was first adopted in Japan the system underwent many changes and was modified in various respects, in some districts remaining in operation and in others vanishing. After he had seized the reins of government, Toyotomi Hideyoshi learned of the five-men group system adopted many years before, and in 1597 issued a regulation, according to which every five samurai had to organize a group, and every ten farmers too, and all the members of such a group had to take oath that they would keep the law and do no wrong, sending a signed letter of assurance to that effect to the Government. The group was authorized to exile out of its village any member of its organization if he did not act in co-operation with the other members of the group ; but there is no doubt Hideyoshi's real aim was order. He wished the group to police the village to which it belonged and preserve peace among the people ; by and with this aim he rewarded anyone who brought any crime to the notice of the authorities secretly, and held all the members of a group responsible jointly, if any of them committed a crime and the crime was brought to light by anyone other than members of his group. Such being the prime object of Hideyoshi in adopting the system, it was so organized as to attain this end. There was no question of a self-governing body, as the system did not give the group any duty of encouraging agriculture or give them any share in the administrative business of the Government, etc. As a matter of fact, the system in the time of Toyotomi was adopted among the samurai and other employees of the feudal lords, but not among the people at large, so limited was its application. But under the Tokugawa Shogunate the system was made the unit of the social structure of Japan, and was adopted all over the country for self-government among the people at large. The object was not only to police the people, but to encourage agriculture, industry, education, and so on, and improve the condition of the people. The adoption of this self-governing system, therefore, was a political achievement of the Tokugawa, not smaller than that of the battle of Sekigahara, which consolidated Japan politically under the rule of the house.

The Functions of the Gonin-gumi.—The Gonin-gumi consisted of five members, but as each member was the head of a house, and all the families of the members belonged to the group, as a matter of fact the number of people belonging to one Gonin-gumi was twenty or thirty. Moreover, all the Gonin-gumi did not necessarily consist each of five houses, but in some cases of ten or even more, and in other cases of two or three, according to the circumstances in which such groups were formed. Their functions were those performed by the self-governing bodies in our own days, although the members of the group were held responsible jointly for any crime committed by anyone of them. Among their functions were the encouragement of agriculture, the transmission of official messages, etc., the collection of taxes, pursuit of criminals, etc. The head-man of a Gonin-gumi was called the Kumi-gashira, who, together with the head-men of the other groups in the same village, as well as the Shoya, the head-man of the village, had the entire responsibility for the local administration. On behalf of the other inhabitants of their village they made oath before their lords to transmit all laws, instructions, notices, and other announcements of the Government to the people of their village; to collect taxes on behalf of the Government or lord; to do police work in searching after Christians, robbers, vagabonds, and others; to arbitrate between the two disputants in case of any lawsuit in the village; and to see to it that the people of their respective villages did not indulge in luxurious living, etc.

The Growth of the Self-Governing System in the Agricultural Villages.—The Gonin-gumi, or self-governing system, as adopted by the Tokugawa Shogunate in the farming districts, cannot be said to have been established in a day, for it took more than a hundred years to perfect the system and put it in a working condition. One of the oldest regulations issued by the Tokugawa Shogunate on the system was posted up publicly in 1626 and refers to the responsibility of the members of the Gonin-gumi.

In view of the fact that the Tokugawa held Japan under military rule and that the Shogunate was nothing but a military Government, people are apt to conclude that under such a militaristic rule the feudal lords and representatives of the Shogunate exercised absolute authority over the people in their respective territories, who could only humbly obey orders. This is not wholly true, and as far as taxation is concerned is not true at all. The farmers had established usages and customs as regards taxes, to which they held strongly, refusing to allow them to be destroyed. The samurai, who were the ruling class in those days, were well aware that they could not ignore these old usages and customs, and force whatever impositions they liked upon the farmers, and were inclined to respect them. Here was a line of demarcation. The farmers remained obedient to their lords as long as the latter did not trespass over this line, while the lords realized what would be the result if they did go beyond the line and impose taxes which did not fall in with the established customs and usages among the farmers. In 1644 Shogun Iyemitsu issued instructions to the representatives of the Shogunate that the rate of tax to be imposed in the territories of the Shogunate should be shown to the people each year. Another clause says that the farmers all should put their signatures in the official book of the Government, and thereby agree to taxes at that rate in the future. A third clause was to the effect that the necessary expenses of the self-governing body should be shouldered by the farmers concerned, who all should sign for the same, etc. The Shogun or lords, who had absolute power over their people, could stop the application of such regulations as the above at any time, if they liked to. But when the practices had become established customs and usages among the people, and then embodied into the official regulations of the Tokugawa Shogunate and were continuously in force for more than a hundred years, they achieved a sort of inherent authority, and those concerned felt that any breach of these established customs meant a breach of the nation's unwritten constitution. None of them, therefore, dared to destroy or ignore these long-established customs and usages among the people. Thus the germ of the self-governing system, though weak, was planted in Japan under the rule of the Tokugawas.

THE ORDER OF KEIAN.—In adopting the Gonin-gumi system in the farming villages the Tokugawa aimed, as the wise feudal lords in those days did, at establishing a paternal system in each agricultural village, hoping to turn the place into a sort of paradise where the farmers might remain peacefully at work. This ideal of a paternal system, cherished by its founder in the Tokugawa Shogunate, was embodied fully in the *Book of the Gonin-gumi* and the Shogunate *Order of Keian*, issued by the Tokugawa Shogunate, copies of these two official writings being distributed among the people from time to time, even as late as the eras of Tempo and Kokwa, towards the end of the Tokugawa regime, to educate the common folk into intelligent appreciation of the Shogunate's hopes.

THE FARMERS THE PRINCIPAL FACTOR OF THE NATIONAL STRUCTURE.—These efforts to educate the farmers sprang not merely from a political motive but from the Confucian idea that farmers constitute the principal factor of the structure of a nation, which the Japanese had learnt from Chinese literature. Therefore not only in the Tokugawa territory, but in such places as Mito, Okayama, etc., where the teachings of the great Chinese sage were widely spread, special efforts were made to educate the farmers, so that they might work hard and thereby increase the riches of their respective district. In the later years, out of political necessity as well as thanks to the opinions of a few wise rulers, great efforts were made to promote prosperity of farming villages. Tsunayoshi, the fifth Tokugawa Shogun, eager to acquire the name of a wise ruler, carried out many political measures to promote the welfare of his people, though some of them had the opposite effect, in spite of the Shogun's good motive. One of his most praiseworthy acts was the encouragement he gave to the spread of Chinese teaching among the samurai class, who were quite illiterate, and adepts only at quarrelling and killing. Next came his appointment as the Prime Minister of the Shogunate of Hotta Masatoshi, who spent most of his energy in promoting the interests of the farming class. It was at this time that the Government in its laws openly stated that the "farmers should be regarded as the principal factor in the national structure of the Empire," this maxim being found in the Shogunate regulation issued in 1680, in which year Tsunayoshi was proclaimed Shogun.

THE REGULATIONS OF THE 8TH YEAR OF EMPO (1680).

The farmers are the principal factor of the national structure, and the officials are requested to pay special attention to the protection of their interests, so that they may not suffer from want of means, etc.

In times of peace the people are apt to lead a luxurious life, and not labour so steadily as they would in hard times. Therefore it is essential for the Government officials to see to it that the people never adopt luxurious methods of living.

The people do not come in direct contact with the authorities and naturally do not properly understand them, and the same holds good in the reverse. The authorities should do their best to get into touch with people, foster mutual understanding and eradicate suspicion.

The Daikwan or delegates of the Government stationed in villages should refrain from luxury and carefully oversee the farmers, to the end that they may work well and raise good crops. They should not leave their official duties to their subordinates, for if the Daikwan do not watch them properly, these subordinates may not perform their official duties, and be tempted to act dishonestly.

On no account must the Daikwan or their subordinate officials borrow any money for their own use from the people, nor call upon any of the people to do their private work.

The Daikwan should always keep watch over the condition of the rivers, bridges, roads, etc., and in case of damage make repairs at once before the matter becomes serious. If there is any trouble over the roads, bridges, etc., among the villagers, it should, if possible, be settled by the Daikwan without bringing the matter to court, unless the affair is of serious character and dimensions.

> The Daikwan should settle everything that comes within their authority as quickly as possible, so that when they are transferred to other places, or their territories themselves are transferred to the control of someone else, there shall be no arrears of business.
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> The above instructions should be always borne in mind.

THE GONIN-GUMI SYSTEM THE BASIS OF THE TOKUGAWA SHOGUNATE'S POLICY.—As already stated, the policy of the Tokugawa Shogunate was to establish a patriarchal system in Japan, based upon well-organized and prosperous farming villages, and in carrying out this policy the Gonin-gumi system was an essential factor. The official register of the Gonin-gumi, dated January 1725, says :—

> In a town every five houses located together shall form a Gonin-gumi, and in a village any five houses located in the neighbourhood of each other shall form a Kumiai. The members of the Gonin-gumiai are in duty bound to keep watch not only over the doings of their families, but also of their employees and tenants, as they are responsible to the Government for the actions of these people.

The inhabitants of any village or town had to belong to a Gonin-gumi or else be punished as offenders against the law, as the following extract from the register of the Gonin-gumi in Akami-mura, Ando county, Yashu, dated 1743, clearly proves :—

> The Gonin-gumi system should be reorganized every year. If anyone leaves his Gonin-gumi, and does not join another, it shall be reported at once to the authorities concerned, who, after trial, shall punish him for it.

The Gonin-gumi system, which formed the basis of the administration of Japan under the Tokugawa rule, remained in active operation until the latter part of the Tokugawa period.

THE METHOD OF FORMING THE GONIN-GUMI CHANGED.—As the above paragraphs indicate, at first the Gonin-gumi was based upon proximity, the first five houses forming their Kumiai, and the next five houses theirs, and so forth. But with the progress of the times the position changed in the farming villages and circumstances grew up in which it became impossible to form a Gonin-gumi combination on geographical relations alone. For instance, some farmers became very rich, holding large areas of land, while there were also poor peasants who just lived from hand to mouth. It was impossible, then, to form a Kumiai, including in its membership rich farmers and poor peasants, for there was a definite line of demarcation between the two classes who were so different in ideas, sentiments, etc., not to speak of their social standing in their village, that they could not work in harmonious co-operation. If they were forced to combine, it was feared there would be nothing but quarrels, which would be fatal to a self-governing body. For this reason, exceptions were made in some instances, and it was permitted for the farmers to form a Gonin-gumi according to their social standings, instead of propinquity as before.

THE KUMICHO.—A Gonin-gumi thus formed with five houses had on its membership roll from 20 up to 70 persons, and each Kumiai had its head-man to control the members of the groups, and represent it before the Government and the other Kumiai. This head-man was elected from the five principal houses, constituting the Kumiai, the method of election varying in different districts. In some the head-men were named according to their social standing, in some they were elected by votes, and in others appointed by the Daikwan of the Government. A group consisting of five houses implying a score of persons or so is too small as a unit of the administrative structure, and in course of time five of the Gonin-gumi were formed into a combination, which was placed under the control of the Daikwan as a unit of the administrative structure in each district. Each combination of Gonin-gumi had a head-man called the Kumi-gashira.

THE MUTUAL ASSISTANCE SYSTEM OF THE GONIN-GUMI.—The laws of the Gonin-gumi in the Tokugawa period pertained to taxation, transportation and communication, police, religion, civil law cases, criminal cases, etc., covering practically the whole of the local administration, but their principal functions were concerned with the land system. First of all, the Shogunate made special efforts to see that the farmers worked diligently on their own rice-fields, and also that no single piece of land should be left uncared for through negligence on the part of the farmers, or for any other reason. Almost every Gonin-gumi register emphatically states that not one piece of land, even if unfertile, should on any account be left uncultivated, but that the farmers should make efforts to till every possible plot of land. The policy of the Shogunate was for every bit of cultivated land to be properly taken care of, for uncultivated land to be opened up, and abandoned land to be brought again under the plough, partly to assure prosperity to farming villages and partly to reinforce the basis of taxation. In the regulation book of Gonin-gumi in Kyoto we find the following :—

> If a farmer dies and his children are too young to take care of their father's land, the man's relatives, Sho-ya, Osayaku-sho, and Gonin-gumi men shall have a conference and appoint someone to take charge of the land on behalf of the family the man has left behind him. Out of the crop raised from the land the proper tax shall go to the Government and the rest shall be spent on the children. In such a case the land shall be attended to at once, before the matter is reported to the Government, and not be left without care even for a short time, as delay might effect the crop unfavourably. When the children are of an age to take charge of the land left by their father, it shall

> be returned to them without fail. In a word, the villagers shall see to it that not a scrap of land shall be left uncared for in their villages.

Regulations were also issued as regards precautions to be taken against damage by noxious insects, drought, etc. It was laid down that the right kind of land should be used for the right kinds of crop, and that a paddy-field not be used as a dry-field, as such was uneconomical from any standpoint. In the Gonin-gumi register in the province of Mikawa, dated 1690, and in some other similar books, the cultivation of tobacco in the rice-fields was prohibited as it interfered with the proper growth of the rice plants.

THE DISPOSAL OF LAND PROHIBITED.—In those days the Government prohibited the sale of land, and as some people attempted to dispose of their land by pawning it, in order to prevent this as well as to reduce the number of lawsuits arising from the practice of pawning, the Shogunate issued a regulation that the pawn-ticket should be countersigned by the head-man of the village and the Gonin-gumi. When anyone applied to the head-men for this counter-signature, they had to take into consideration the circumstances attending the case. When a man wished to transfer his ownership of land to his children, he had to write a letter certifying the transfer in the presence of his relatives and the head-men. Thus for all such transactions the members of the Gonin-gumi had to share responsibility. The introduction to the Registration Book of the Gonin-gumi, dated January 1725, says :—

> In case a farmer divides his land among his children or grandchildren, the area of land to be given each one should not be less than will produce 5 koku of rice. A farmer possessing only a small area of land shall not be permitted to divide his land among his children or grandchildren. If such a small farmer has some reason to divide his land among his children, he shall apply to the authorities concerned for a permit to do so.

In the matter of water the Gonin-gumi had two regulations, one regarding irrigation, and the other regarding the prevention of floods and the construction and repair of river embankments, etc. In the matter of irrigation almost every Gonin-gumi register says that no man shall selfishly divert water into his own fields in a way to cause suffering to those in neighbouring villages. When the mouth of a river was repaired, for instance, by one village, it was done in the presence of the representative of the other villages concerned. For the construction and the repair of the embankment of a river the whole village was held responsible jointly, and it is often decreed that all the male inhabitants of the village from fifteen years of age should take part in the work on the river-bank, or even that all the inhabitants of the village, without a single exception, should do their share, etc.

Besides, the villagers were often called out to public works, such as for the prevention of flood, etc., and on such occasions the Gonin-gumi were always made the unit.

THE TOWN AND VILLAGE OFFICIALS EXCEPTED FROM TAXES.—The three kinds of officials elected from among the villagers who represents their village and managed its public affairs had official duties to perform and spent much of their energy and time upon them. With the exception, therefore, of the one directly representing the farmers, they were remunerated for their public service, in some villages being allowed a certain quantity of rice, and in others exempted from a portion of their tax.

In many villages the head of a Gonin-gumi was not given such an allowance as was granted to the head-man of a village, but was exempted from part of his tax, though it was not regulated by law nor officially announced to the people.

LAND SURVEY IN THE TOKUGAWA PERIOD.—In the Tokugawa period the Shogunate carried out an official survey of the arable land from time to time, whenever it found it necessary, though it never made such a universal survey as Toyotomi Hideyoshi's in the eras of Bunroku and Tensho. Except for the districts where the Shogunate carried out an inspection, the valuation, etc., of the land as fixed by Toyotomi Hideyoshi were, it appears, still followed. The Tokugawa Shogunate had no complete regulations for land survey until 1722, when it made a general inspection in the province of Hidas. Of these regulations three points are most essential: first, the unit in measuring the area of land; second, the estimate of the possible quantity of rice to be raised from the land inspected; and third, the decision as to the taxability or untaxability of the land.

1. *Unit of Measurement.*—It was regulated that 300 bu should make 1 tan and 1 square ken should be considered as 1 bu. But 1 ken was 6 shaku 1 bu instead of 6 shaku, leaving thus just a little over in each bu. The idea was, no doubt, to make sure that each piece of land should be larger than its officially registered area.

2. *Estimate of Crop Production.*—It was a question of deciding how much rice 1 tan of land would produce. If all other conditions were equal in different villages and districts, the degree of fertility would be the greatest factor in deciding the quantity of rice to be produced in a piece of land. But in deciding the productive capacity of a piece of land, one must take into consideration such factors as the nature of the soil, climate, convenience of water and all other circumstances bearing upon the crop. One has to consider, for instance, whether the land is in a mountain or a plain, or whether it is encumbered with big trees, stones, or rocks, etc., which will interfere with the ultimate crops. In the days previous to the Tokugawa period the arable land in Japan was classified into three classes—the best kind, the medium, and the worst—according to the productive capacity. There is, however,

some land which is far more fertile than most of the land classified as the best of the three; while there is some which is so poor that it cannot be taxed at the same rate even as the land classified as the worst of the three. These two extreme kinds of land should be put into a different category from any of the regular three.

3. Any piece of land which, after official inspection, was decided upon as possessing productive capacity was regarded as taxable land and registered with the Government. Some of the land so registered was occasionally exempted from taxes, and it cannot be said that all land so registered was subject to taxation. Yet the object of the registration by the Tokugawa Shogunate being to raise taxes out of the land, it may be right on the whole to regard the lands so registered as those upon which taxes were levied. Of the registered lands, except those specified as tax free, all were subject to taxation. The lands which were exempted from any taxation were: (1) The belt of space, 1 ken wide, around the residence of a farmer; (2) the land called Goshuinchi or land with signature in cinnabar; (3) the land belonging to the pass keepers, etc.; (4) desert land in river beds and on mountain-sides, etc., which was quite unfertile; (5) the site of the warehouses where the tax rice, etc., was kept; (6) such part of the fields where, on account of big trees, stones, etc., cultivation is impossible; (7) swamps and moors which it was impossible to cultivate at all; (8) grave-yards, mausoleum grounds, etc., and places for the drying of cut rice plants, etc., and such lands as river-banks and belts around the paddy- or dry-fields, which it is impossible to cultivate at all.

THE METHOD OF VALUATION.—The Tokugawa Shogunate classified arable lands according to their productive capacity, and estimated the rice output for each class of land on which a tax was imposed. This was called the Kokumori method, and was nothing but a valuation of the arable land. But how, then, was the tax collected? The amount of tax on any piece of land should be decided by the value of the produce, but at the same time the productive capacity of land does not remain always the same, and differs from year to year. The question arises, therefore, whether the products of the land should be estimated and the amount of tax decided accordingly each year, or an average annual output of the land be taken, and the rate of tax fixed upon this basis. Both of these methods were in practice, the former being called Kemmi-tori and the latter Jomen.

The Kemmi system may be described as follows:

The rice plants of 1 tsubo (6 feet square) are taken out and according to the amount of rice so won from 1 tsubo the total crops of the land per tan are estimated, and the amount of tax decided in accordance. But to get an accurate estimate of the rice crop of a piece of land is not the only object of a Kemmi. It has others, such as to ascertain the general conditions of the farming villages, the wealth of the people, and so on. The Government inspector will first inspect the condition of the rice plants and ascertain whether the crops will be good or not for the year; he will also note the condition of the houses in the village, the area of arable land compared with the population, etc. He will then see whether the farmers are engaged in any other business than farming, what is their principal line, whether they are working hard or not, how they pay their taxes to the Government, what are their expenses, etc. He also will take note whether the village has more paddy-fields than dry-fields, or vice versa, if the Government can raise the rate of tax on the paddy-fields without effecting the financial condition of the farmers, who may be drawing a good income from the dry-fields which will make up for any increase in the tax on the paddy-fields. He will also compare the rate of tax imposed in one village with that in another and see that their taxes are in proportion.

THE JOMEN SYSTEM ADOPTED.—In 1721, in the time of Yoshimune, the 8th Tokugawa Shogun, what is called the Jomen or Regular Tax system was adopted. In an official notification issued by the Shogunate in July 1721, it is stated that all the taxes should be levied thereafter at the regular fixed rates, and that the regulation should be made known to the people, but that the rates for the best kind of land or those for the worst kind of land, which had been fixed either too high or too low, should be revised gradually, etc. Under this system taxes were imposed at the rates fixed permanently, and unless crops were very bad, taxes were payable at the regular rates fixed for each class of land. An ideal system for taxation is for the rates to vary in accordance with the quantity produced by, or the productive capacity of, the land and a system under which the rates of tax are permanently fixed, and taxes must be paid at the regular rates without regard to the output of rice seems very imperfect. If any Government insists on its fixed regular rates always, the results are not likely to be good. These rates, it may be said, were average ones taken every ten or twenty years. A contemporary critic of the corruption attending the Kemmi system in his day points out that the Daikwan and his subordinates, who were in charge of the collection of taxes, were corrupt and bribed by those whose rice-fields they had to inspect. Unless bribed or in some way placated they would send an adverse report to the Government or feudal lords, but, if not suitably fed, did not hesitate to make returns unduly favourable to the farmer. Wherever these Government inspectors went, the people brought them bribes and did everything in their power to please them. Accordingly, these officials were very rich and led a life of luxury quite unwarranted by their small salaries. Because of these corruptions attending the Kemmi system, the critic regards the Jomen system as the best possible. The official inspectors were no doubt often corrupt in those days, and many stories are told of their evil practices. The people, too, were very cunning in deceiving the overseers on the occasion of a Kemmi, for it was no easy matter to estimate the production of a whole farm by examining the rice plants from a scrap of land 6 feet square. It is, therefore, partly true that the Jomen system was adopted to obviate the corruption and evils attending the Kemmi system, but Yoshimune enforced it in order to increase his own revenue, caring little for the extra burden placed upon the people or the sufferings of the hatamoto and samurai.

THE JOMEN SYSTEM CAUSED POPULAR DISTURBANCES.—When Shogun Yoshimune adopted the Jomen system in the territories of the Tokugawa Shogunate it gradually spread to the domains of the feudal lords who bordered them. Fifty per cent. of the total output went to the farmer and the other 50 per cent. to the Government, and whenever the quantities of the tax were revised, the Daikwan and other Shogunate officials attempted to raise the rates, for Edo was then suffering from financial difficulties, and its subordinates attempted to please their masters by lifting the rates. There were consequently frequent agrarian disturbances, as referred to in the chapter on the "Resistance of the Agricultural Class."

HIDEYOSHI TAXATION SYSTEM SUBVERTED.—As we have seen, Toyotomi Hideyoshi adopted a uniform taxation system for Japan, in which he concentrated all the taxes in the land-tax, and fixed the rate at two-thirds of the gross output of rice to the Government and one-third to the farmers, abolishing all the miscellaneous taxes, which had been so many in kind and number before. The Tokugawa discontinued Hideyoshi's system, and a variety of miscellaneous taxes were revived in many parts of Japan, as before the Toyotomi period. As a matter of fact, Hideyoshi's administration was so short that he had not time to enforce his system throughout the country, and even while he lived it was not adopted in some districts. For instance, a 48 per cent. rate of tax was in force in the province of Aki, and six years after Hideyoshi's death a 50 per cent. rate in the province of Sagami. In Hitachi there were several rates of tax which differed from Hideyoshi's standard.

THE 50 PER CENT. RATE OF TAX ESTABLISHED.—Out of his desire of adopting one uniform rate of tax in the place of many, and also to increase the revenue of the Treasury of the Shogunate, the 8th Tokugawa Shogun Yoshimune adopted a fifty-fifty system, in which the farmer would get 50 per cent. of the output of rice and pay the other 50 per cent. to the Shogunate. Hardly had this system been adopted in the territories of the Shogunate before it was also in operation in the neighbouring territories of the feudal lords, who were also suffering financially, and thus the 50 per cent. rate of tax was soon in force throughout Japan.

Other Taxes imposed.—The 50 per cent. rate land-tax was not the only one imposed upon the people in the time of the Tokugawa administration, for there were also miscellaneous taxes and additional taxes in force, which made the total taxation not less than in the time of Hideyoshi, although that ruler took two-thirds instead of half of the produce of the soil. There were two chief reasons why Hideyoshi's system had to go. One was that the people hated it, regarding it as cruelly oppressive. They are even said to have looked upon his death with delight as a punishment for having laid so heavy a burden on them. The other reason was the growth of commercial towns. Where most people were engaged in commerce the Shogunate had to look for other sources of revenue besides a land-tax, and therefore levied such miscellaneous taxes as Komononari, Ukiyaku, Unjo, Buchin, etc., and such additional taxes as Takagakari-mono, Kuchiyei, Kuchimai. Of the taxes known by the general name of Takagakari-mono, the principal are the three taxes, Godenma-Iriyomai, Rokushaku Kyumai, and Mikuromai Iriyo in the Shogunate's territories, and the three similar taxes, Fumai, Fukin, and Mukawara-dai in feudal domains, Kuchi-yei, levied in all districts to cover the local expenses, and other taxes of a similar character. The Denma Iriyo was fixed at 6 sho of rice per 100 koku and was to cover allowances to the Tonya and Hanjin, and the expenses of inns at the different post-towns along the Tokaido road. The Rokushaku Kyumai was paid at the rate of 2 to of rice per 100 koku and was originally to cover the wages of the servants and other employees of the lords who did the work which the farmers once did themselves or sent their men to do, until they found it more convenient to substitute a payment! The Mikuramai Iriyo was to cover the necessary expenses for the handling of the tax rice at the Shogunate's godowns, where it was all brought. In the Kamigata districts the tax was 15 mon of silver per 100 koku, while in the Kwanto districts it was 250 mon of zeni per 100 koku. In 1709 the Shogunate issued a law which exempted the taxpayers from these taxes, if their rice output decreased by more than 50 per cent. Of the three taxes imposed in the lords' territories, the Fumai corresponds to the Demmayado Iriyo, the Fukin to the Rokushaku Kyumai, and the Nukawaradai to the Mikuramai Iriyo. There were also some other local taxes in force, but these were imposed only in certain limited districts. It may be said that the above stated taxes were all imposed more or less in limited districts or territories, but that there were three other local taxes imposed throughout Japan, and which every farmer had to pay in addition to his main tax on land. They are Kuchimai, Kuchiyei, and Sompi. Both Kuchimai and Kuchiyei must have been at first a poll-tax, and in some districts the former was paid in the peculiar products of the locality, instead of in rice. At first these taxes were issued for the expenses of the local government offices where they were raised, but in 1725 Shogun Yoshimune ordered that both taxes, as soon as collected, should be forwarded to the Treasury of the Shogunate, which would pay the necessary expenses of the local government or Daikwan office.

Taxes other than those connected with Land.—Agriculture was almost the only business in which the Japanese were engaged in those days, and naturally land paid the bulk of the taxes. But there were subsidiary and less important occupations on which such taxes as Komononari and Ukiyaku were imposed. Of these two, Komononari (small taxes) was the principal imposition and Ukiyaku one of a temporary character. Komononari is the generic name given to taxes imposed on the by-occupations of the farmers in those days, such as saw-milling, timber-felling, grass-cutting, fishery, hunting, etc., or occupations other than agriculture. Taxes of a similar nature, but levied to meet a temporary need, were called Ukiyaku.

Reason for imposing Taxes upon Local Commerce.—The taxes upon commerce and industry fell upon the enterprises themselves, and as such enterprises naturally prospered chiefly in great cities, these taxes were not very important in other places. Nevertheless Edo imposed the taxes upon local enterprises of a similar nature, partly in order not to give them an unfair advantage over their competitors in the cities, and partly to discourage the farmers, who were the chief taxpayers, from abandoning agriculture to enter the ranks of industry and commerce.

Taxes imposed upon Markets.—Besides the commercial taxes mentioned above, there were others very much akin to the commercial taxes in their nature, namely, the tax on sales and that on markets. The former called for a percentage on sales, and was called Ichiuri-buichi-kin, while the latter was merely a tax upon a market when it was established and was called Ichiba-unjo. There were precedents in markets for the merchants to pay 20 per cent. or 30 per cent. on their sales, but sometimes they paid a certain amount of money, according to the area they occupied, no matter what was the amount of their sales.

Ichiba-unjo (Tax on Marketing).—

> This Ichiba-unjo is a tax that has been imposed from olden times, and though a new market was petitioned for it was not readily granted by the Government. There are many kinds of markets, some selling miscellaneous commodities, others selling cereals only, but in general the merchants who

deal in silk, cotton, cotton thread, agricultural implements, horses, fish, and food-stuffs are used to come from distant places, with the object of selling their commodities at one market or another, and there is no definite rate of tax uniformly imposed, for a market in a small town will not have the same business turnover as those in large towns and cities. There is a market tax, called Akinaimono-mise-yaku, collected from every store, but the rate varies in different towns and cities, and there is also another called Ichiba-goyaku (market profit to be paid to the Government as tax), the rate of which will not be changed no matter whether a market is prosperous or not, and which became thus a sort of regular tax, and was collected uniformly from every town and city. But as now many towns which were formerly prosperous with a regular market have now declined so far as to petition the Government successfully for exemption from this Ichiba-goyaku, it is not exactly true to say that it is a regular tax to be paid to the Government.

Taxes upon Fishery and Hunting.—In the matter of fishery and hunting upon which a tax was payable, the local authority made a general estimate of the yields and a certain amount of tax was imposed upon a fishing village or community. That from sea fishery, called the Umitaka (amount of the yield of sea fishery), was often imposed as a regular tax, but as the yield from rivers and seas was very unsteady in comparison with that from rice-fields and farms, the Government afterwards abolished the old method, adopting a new one under which a rough estimate was made of the yield of every fishery, and some percentage of this yield exacted as tax. Of the taxable fisheries, that of sardines was the most profitable, followed by the whale fishery; and though the sardine fishery paid generally 20 per cent. to the Government, the rate on whaling changed in accordance with the relative difficulty of the fishing methods, varying from 3 per cent. to 20 per cent. of the actual yield. In addition, there were such taxes imposed upon fisheries as Koryo-unjo (tax on small-scale fishery), Yana-unjo (tax upon fish-traps), and Ike-unjo (tax upon ponds), and as most of such insignificant fisheries were undertaken by private persons for a certain period of time the tax was imposed only during such period. In the hunting tax there were such varieties as Torifuda-unjo (tax upon a fowler), Takaami-unjo (tax upon nets hung high), Tori-unjo (tax upon bird catchers), and Teppo-unjo (tax upon guns).

Tax upon Salt Manufacturing.—The manufacture of salt was not neglected even in remote ages, and though because of lack of precise data for our economic history the development of the salt industry is a little obscure, yet scattered Government documents show that a tax was imposed upon it during the latter part of the Ashikaga Shogunate, and letters addressed by the Court nobles to the officials of the Shogunate during the Tenmon era afford similar proof. The levy was called Shio-kuji (government affairs respecting salt), changed under Tokugawa to Shiohama-unjo (tax upon salt-pans) and, of course, a development of the Shio-kuji. Varying conditions of sea and weather made it as hard to estimate the yield of a salt-pan as of a rice-field, but in Tokugawa times the salt-pans were as carefully inspected as agricultural land, and the tax fixed in accordance with their area and condition. A first-class salt-pan paid 500 mon of copper coin, second-class 350, and third-class 200, and it is recorded that at Gyotoku in Shimosa the tax was paid in salt instead of money, 200 half-koku bags of salt being valued at 10 ryo of gold. Salt manufacturing was, of course, a risky enterprise, and the pans always exposed to the danger of storms and tidal waves. After such natural catastrophes the Government officials inspected the damaged pans, and reduced or cancelled the tax. As a principle of local finance the salt-pan was generally separated from the public estate of a village or small local community, but there were exceptions to the rule, and in some places it had been included in the public estate of a village from olden times.

Tax upon Ships.—Among the taxes upon ships we find Howakeunjo (tax on each sail), Kawafune-yaku (toll on river-boats), and Kobune-yaku (toll on small boats). Ships were taxed from olden times, and in the Surugashiryo (historical records of Surugu Province) we find mention of the exemption of the tax upon some ships, and from the Shinano-no-kuni Suwa-jinja Bunsho (Records of the Suwo Shinto Shrine in Shinano Province) we learn that Funa-yaku (tolls upon ships) were collected. These two records were both published during the Eiroku era (1558–70). The Tokugawa Shogunate set up the Funayaku Aratame Bansho (Examination Office of Tax upon Ships) and strictly insisted upon every boat or ship being provided with a licence for which the owner had to pay at the rates detailed in table on p. 406.

Methods of Tax Payment.—A short account of how the taxes were paid is not out of place here. Usually the village Eldermen, the Nanushi or Shoya, first collected the tax in rice from the farmers, and reported to the Daikan (local deputy of the Shogun or feudal lords) who had the rice stored in the local granaries. When the time came to pay the tax to the Government, the village Eldermen elected from among themselves someone to take charge of the transport of the rice by men and horses to the Government office. The tax-payers had to bear the expenses of transportation and were responsible for any loss or damage that was incurred on the road, so that when a farmer paid a tax of 1 koku of rice, as a matter of hard fact, his tax was really more than that.

Quantity of Rice in the Rice-Bag (Tawara).—The following instructions usually given by the village Eldermen to the farmers at the time of payment reveal an additional burden. "In ordinary business transactions it is right to measure exactly, but in the matter of the payment of taxes to the Government, as it is often the case that even when the farmers give good measure the rice falls short of the quantity when weighed in the presence of Government officials, it is necessary to put an extra 1 sho or more into each bag of rice, so that there may be no trouble at the Government office." Such additional payment of 1 sho or more in every one bag of rice was called Komimai (more rice measure into the bag), and, of course, pure loss to the farmers. Moreover, there was often another sort of extra payment called Kakemai (rice to make up shortage), which was not added to the bale, like the Komimai, but taken to the Government office, in addition to the regular amount of tax rice, in order to make up any possible shortage.

REGULATIONS OF THE CHARGES TO BE MADE UPON RIVER-BOATS IN ACCORDANCE WITH THEIR LENGTH.

BOATS ARE TO BE MEASURED BY A SIX-FOOT SCALE AND CHARGES DETERMINED IN THE FOLLOWING MANNER.

Kind.	Charge.	Length Limited to
Tea-boat	150 mon of copper coin	2 ken 2 feet 5 sun
Tea-boat	200 mon of copper coin	2 ken 3 feet 5 sun
Tea-boat	250 mon of copper coin	2 ken 5 feet 5 sun
Tea-boat	300 mon of copper coin	3 ken 1 foot 5 sun
Tea-boat	350 mon of copper coin	3 ken 3 feet 5 sun
Tea-boat	400 mon of copper coin	3 ken 5 feet 5 sun
Tea-boat	450 mon of copper coin	4 ken 1 foot 5 sun
Tea-boat	500 mon of copper coin	4 ken 3 feet 5 sun
Tea-boat	550 mon of copper coin	4 ken 5 feet 5 sun

If the length of a boat be over 5 ken and 3 sun, the width is also to be taken into account, even if it be a kind of tea-boat.

The above are the rates, all boats being measured by the ken scale, 1 ken being 6 feet, and taxed at the rate of 100 mon of copper coin for every 6 feet square. In case the measure is short of 1 ken, the rate will be 50 mon of copper coin for a length of 6 sun to 2 feet 5 sun, and 100 mon for a length of 2 feet 6 sun to 5 feet.

TRANSPORTATION AND OTHER EXPENSES.—With regard to the expense of transportation there was a regulation called Gori-soto Dachin (pack-horse charge beyond 5 ri distance), from which the following extract is taken:—

> With regard to the transportation of the tax rice, the expenses up to the distance of 5 ri from the village must be borne by the tax-payers. Thereafter the Government will allow 24 mon of copper coin for every 1 hyo of rice per ri.

The expenses which the farmers had to bear for the first 5 ri (12½ miles) were pack-horse charges, coolie hire, travelling expense of the Elderman in charge of the party and general hotel expenses of all the men and horses. The Daikan, after approving the expenditure, collected the sum from the tax-paying farmers and made payment to all the parties concerned, but there were often cases when the expenses were so large that the farmers had a difficulty in meeting them.

Loss to be made up of any Rice which was damaged before it reached the Government Granaries.—When, as often happened, the rice was damaged in course of transportation, responsibility was determined as follows : If the rice had been already accepted by the Government officials, even if it was still kept in the local granaries the farmers were not responsible, but in cases when the rice had been accepted by the village Eldermen but not by the Government officials, any damage or loss had to be made good by the farmers. When rice was transported by water, the farmers were responsible for the damage or loss incurred while the ship was in the river, but after the open sea was reached, the feudal lord had to bear all responsibility.

Tax paid in Money instead of Rice.—It was a fundamental principle for the land-tax and some others to be paid by rice, but in many localities bad roads rendered transport extremely difficult, and the Government often accepted a money payment. In other places the custom was that the farmers paid partly in rice and partly in money, though there was no special reason for them to do so, and in such cases the local feudal lords fixed the price of the rice.

CHAPTER LXXXIII

AGRARIAN ADMINISTRATION OF THE TOKUGAWA SHOGUNATE

Emancipation of Farmers from Serfdom to Free Citizenship.—Students reading the chapter on the taxation system during the Tokugawa Age will not fail to observe the fact that all the farmers in the country were then simply serfs. They were given only the right of cultivation without any right of possession, and therefore had no freedom to sell or purchase their rice-fields or farms; in fact, they could do nothing more than pledge their right to cultivate land. While such unproductive upper classes as the Shogun, feudal lords, samurais, Court nobles and Buddhist and Shinto priests were idling away their time and enjoying an easy life on the taxes paid by the farmers either in rice or money, the farmers had to toil day and night in order to produce the rice to sustain their own families and feed the unproductive classes. Besides giving up half their total crop to the feudal lords by way of tax, they had to pay many other extra charges in addition, and, although burdened with the duty of producing all the money needed for the administration of the entire country, they were given no rights whatever. The long suffering of our farmers under such miserable conditions and their unceasing labours are unparelleled in the history of cultivators of the soil in any country, and they got no relief until the restoration of Meiji. Under this unique and peaceful revolution the position of the farmers was suddenly changed and they were elevated to such undreamed-of heights that they became the predominant element in the make-up of the state. In the prefectural assemblies and the national diet the sons and grandsons of the farmers who were so miserably oppressed during the Tokugawa Age held the ruling power, and, moreover, occupied almost all the important positions in education, the army, and commerce. The farmers are now the real backbone of the state, and some attention must be given to the cause and progress of so great a change.

Development of Agrarian Administration.—The development of the feudal system and the rise of feudal lords in Japan is a very interesting subject for study. In their origin the lords were nothing more than a sort of bandit or pirate chief, and acquired their position by the strong arm. Their only desire was present gain with no thought of the future, and they treated the peasants as so many domestic animals, very often in their greed killing the goose that laid the golden eggs. In course of time their common sense taught them that it was against their own interests to drive the farmers so harshly, while the scholars and priests in their service told them of the wise monarchs of ancient China who, in their benevolence to their subjects and kindness to farmers and peasants, set an example of good administration to posterity. The consideration of their own interests and man's instinct of benevolence combined to arouse in the minds of the feudal lords a wish to befriend the farmers and protect agriculture, and a civil administration based on this combination of self-love and altruism came into practice toward the latter part of the Ashikaga Age, when the great feudal lords established themselves in various parts of the country. This tendency was very remarkable after the Tokugawa family had unified the whole country, for the Tokugawa Shogun was himself the greatest land-owner in the country, and the feudal lords were all landed proprietors on a large scale. The necessity of getting as much as possible out of their lands made a supply of labour to the agricultural villages a first necessity, and for this reason they adopted the following ways and means.

The Gonin-gumi Institution (The Five-Men Company).—The object of this institution was to cement friendship among the agricultural people by a system of mutual good will and assistance, which served first to satisfy the farmers with their own native place and prevent them from abandoning their work and emigrating elsewhere, and secondly to prevent the migration of agricultural people and their adoption of new and novel manners and customs.

Improvement of Irrigation System.—The Shogunate and feudal lords thought it necessary to improve the irrigation and drainage systems in order to minimize damage from droughts and floods, and thus increase the productive power of the land. The encouragement and protection they gave to the farmers in this direction sprang from the same motive as that of a housewife who gives her hens nourishing food to get more eggs, and wise as were the steps taken by the lords, they originated in selfish motives and not the noble ideas which characterize benevolent monarchs and wise ministers and cause them to sympathize with the downtrodden peasantry. Nevertheless, the results were very satisfactory and our agricultural classes showed an efficiency that cannot be paralleled in the history of intensive agriculture in any other country. The three hundred years of peace under the Tokugawa Shogunate brought the farmers satisfaction among many dissatisfactions, fortune among misfortunes, and freedom among oppressions. Many praiseworthy customs and habits such as perseverance, diligence, self-control, and thrift were fostered among the farmers, and in such imperfect self-governing bodies were produced many men fully qualified to lead others and instinct with the spirit of self-sacrifice. Tokugawa Iyeyasu advised his followers to drive the farmers hard enough to prevent them raising from their heads but not to kill them, and the lords, following him, committed the great crime of reducing the farmers to serfdom. But the peace and agrarian administration under the Tokugawa Shogunate contributed to beget a sound and wholesome community from which elements used in building up the Meiji era were begotten, so that it may be said that the merits and crimes of the Tokugawa Shogunate balanced one another.

AGRARIAN POLICY OF INA, THE TRIBUNE GENERAL OF THE KWANTO PROVINCES.—The Tokugawa Shogunate made, then, great efforts to protect agriculture, and though the Government officials at that time were merely soldiers with nothing but military accomplishments, as Edo picked out competent men from among other classes and entrusted them with part of the civil administration, remarkable progress was made and much improvement accomplished in the ways of water transportation, drainage, afforestation, and opening of springs. Observing that the hills and mountains in the provinces Yamato, Settsu Kawachi, and Omi were denuded of trees and grass and that every storm brought down sand and earth which choked rivers and brooks and caused floods, which did widespread damage, in 1684 the Shogunate issued the following decree :—

> Roots of trees and grasses on hills and mountains shall not be dug up. Trees and grass shall be planted on the hills and mountains flanking a river, especially where such are scarce. No new rice-fields nor farms which were reckoned as public or private property shall be abandoned, and trees, bamboos, and reed grasses shall be planted there ; no land shall be reclaimed on the river-bank, etc.

Among those who did great work in riparian and irrigation enterprise, Ina, the Tribune General of the Kwanto Province, was most famous. Amongst other successful feats he so improved the Edokawa River as to make its water flow out of Edo ; diverted the overflow of the Arakawa River into the Irumagawa River ; bridled the River Tone and connected the River Watarase with it, and so improved the greater part of the rivers in the provinces of Musashi, Hitachi, Kodzuke, Shimotsuke, Kadzusa, and Shinoosa that, while draining off all the flood water, he cut canals and built aqueducts, watered dried-up rice-fields, changed desert land into good rice-fields, and saved the farmers from damage by floods and droughts. It is said that in Musashi Province alone he increased the revenue from the land by one-third, and if this can be taken as a criterion of his work in all the Kanto provinces, his merits far exceeded those of any other who served the Shogunate. But while the great warriors, such as Ii, Honda Sakae, and Sakakibara, were made feudal lords and left their glory and prosperity to be inherited by their sons and grandsons, the Ina family died out during the Kwansei era, and the work of the great man was forgotten by the Shogunate.

THE WORK OF SUMIKURA.—Next to Ina, those who contributed most to advance the civil administration of the Tokugawa Shogunate were Sumikura Ryoi and Kawamura Dzuiken. My readers may remember the name Sumikura Ryoi in the chapter, " Japanese scattered Abroad," for the family engaged extensively in the trade with Annam and Tonkin and the Sumikura ships were very well known both at home and abroad. But while he was a great foreign trader, he was also a great civil engineer. An interesting story is told regarding how he came to be a civil engineer. Once, when visiting the provinces of Bizen and Mimasaka, and observing the ships plying on the Kurashiki Rapids, it occurred to him that every river might carry ships, and, returning home, he petitioned the Shogunate for a licence to open the Hotsu valley between Kyoto and Tanba Province and sail ships down the river there. His petition being granted, he at once set to work to widen and deepen the river, rooting out large stones in narrow places and deepening shallow places by piling up the stones around them, and in just half a year a perfect waterway was made between Saga and the Funai-gori in Tanba Province. In return for this service, the Sumikura family was granted the right to levy tolls on all boats using the Hotsugawa River, and further entrusted, in 1606, with the work of improving the River Fuji. Ryoi brought over from Bizen skilled sailors who taught the Kwanto people how to take boats up and down the river, and having succeeded in making a passage between Iwabuchi and Kofu, he was again rewarded by the Shogunate with the right to levy tolls on all boats plying on the Fuji River. His second success so much encouraged him that he undertook the improvement of the River Tenryu, and cut open the River Takase passing through the city of Kyoto. When Ryoi died, his son Sumikura Geni succeeded him, and was granted by the Shogunate the privilege of controlling the River Yodo, in partnership with Kimura Soemon, but this was actually a commercial undertaking. The partners paid Edo 200 large silver coins every year for the navigation rights of the ferry-boats plying on the river near Amagasaki and 500 kamme of silver for the privilege of passing the large junks, and in return pocketed the revenue from the junks and the tolls levied upon the boats plying on the River Yodo.

THE WORK OF KAWAMURA ZUIKEN.—Once a foreman of coolies, Kawamura Zuiken became afterwards a lumber dealer, and, having won the confidence of the Tokugawa Shogun, was entrusted with civil works in which he succeeded admirably. What he accomplished between 1682 and 1685 in improving the rivers in provinces around Kyoto, preventing floods and making irrigation channels, entitles him to rank with Sumikura Ryoi. It is recorded that Kawamura Zuiken once invited to dinner all his contemporaries who had succeeded in their undertakings, and gave them so splendid a feast that they all wondered what had induced him to be so lavish. In reply to a question put by one of his curious guests, Kawamura Zuiken answered that gold kept in a Government treasury was just a dead thing, but their success enabled them to disinter these hoarded gold and silver coins and put them into circulation, thus benefiting the state itself, and he had invited them all to dinner to congratulate them on their success and the benefit they conferred on the state itself at the same time. Kawamura's talent and ability were such that he never failed in any enterprise, and was able also to make himself a popular favourite, becoming a patron of scholars, through whom he made a large contribution to the literature of civil engineering.

FARM DISTRICTS OPENED UP IN MANY PLACES BY FEUDAL LORDS AND OTHER PUBLIC-SPIRITED MEN.—A casual observer of the farming villages, roads, waterworks, canals, and aqueducts of to-day is apt to take them for granted and think of them as the works of Nature and not man, which does small justice to our public-spirited forerunners who, at great sacrifice to themselves, built up such useful civil works. Almost all these adjuncts of civilization now existing were made either by the feudal lords of the times or some masterful spirit, who, breaking through a thousand hardships and difficulties, accomplished these great public works. It will therefore be proper to give a brief outline of the origin of some of these public undertakings:—

Choho Canal in Bungo Province was cut by Lord Otomo in 1648. It was about 10 miles long, and the lord is said to have employed 93,200 men to complete it.

Hokimura Canal was cut in 1686.

Kuruhachi Canal was cut in 1687.

Miyaseki Canal was cut in 1693.

Yamanokuchi Canal and Seguchi Canal was cut in 1694.

Kurono Canal was cut in 1699.

Kosama Canal was cut by Lord Matsudaira in 1727.

Minumagawa Canal in Kodzuke Province was cut during the years of Kyoho era by Izawa Yohei under orders from the Shogun Yoshimune.

Masayama Kageyoshi, an official under the Shogunate, diverted water from the River Watarase to the hills near Omama in Kodzuke Province and opened up new rice-fields and farms at Okazaki in 1704.

Teizan Canal, that connects Shiogama, near Sendai, and the River Okuma, was cut by the famous Lord Daté Masamuné during the Keicho era, and is one of the longest canals in the country—about 30 miles.

The Great Works of Nonaka Kenzan in Tosa Province.—When the country was enjoying settled peace and prosperity under the Tokugawa Shogunate, not only the Shoguns themselves, but all the feudal lords who had a name for wisdom and benevolence were eager to foster agriculture as much as they could, and the times gave birth to the great social reformer, Nonaka Kenzan, of Tosa Province, who abolished Buddhist temples and built schools instead, encouraged agriculture, opened up roads, aided farmers, set up a militia system, improved ports and bays, planted medicinal herbs, reared honey-bees, and encouraged fisheries by supporting fishermen with Government rice. His ability, zeal, and success in the improvement of civil administration were really dazzling, and his fame spread over all the country. The father of this great man was one of the chief retainers of Lord Yamanouchi of Tosa, and being possessor of a feud of 29,000 koku in the Hata-gori, Tosa, he was quite a feudal lord himself, though he served the daimyo. For some reason or other he left his native province and went to join some relatives in Himeji, where his son Kenzan was born in 1681. The boy was afterwards adopted by a relative and became a chief retainer of the lord, whom his father had served, when he was twenty-two years of age. About this time learning was very backward in Tosa Province, remote as it was from the centre of civilization, and Buddhist priests being the authorities on all the branches of learning, the samurai of the clan heard of nothing but Buddhism. Nonaka Kenzan had obtained and read books on Confucianism while he was in Edo, and after he returned to Tosa he was so much inspired by the theories of the Confucian scholars that he determined to put them to practical use. The result of his determination, carried out with dauntless resolution, was the improvement of agricultural administration, rise of commerce, and consequent increase of prosperity in the province of Tosa. He first improved the rivers to facilitate water transportation, and dug canals and built aqueducts for purposes of irrigation, by virtue of which old rice-fields were much improved and new rice-fields were opened up. His method of opening new fields and farms is specially noteworthy. When he had formed a large area of new rice-fields and farm-land, he picked out men who had served Lord Chosokabe, the former lord of Tosa, and had become farmers in their native places, and giving them a rank and raising their position to an equality with that of regular samurai, divided among them the plain of Kagamino. They then became the chiefs of other farmers, who came from elsewhere to open and acquire new land in the Tosa Province, and could possess by purchase or by cultivation an area of 250 koku. Exemption from taxation upon these newly opened rice-fields and farms was granted for three to seven years, and the result was so encouraging that old Chosokabe men vied with one another for the ownership of these newly opened fields until their number reached one thousand. Not content with simply getting farmers on the land, Nonaka gave them practical instruction in cultivating the soil and had them plant mulberry-trees around their houses to supply food for silk worms, and freed the trees from taxes. The regulations he drew up to ensure the prosperity of his new villages are given below: "On the 5th day every month, at a village assembly attended by the Daikan (deputy of the feudal lord), Shoya (head of village eldermen), and Toshiyori (eldermen of village), a report shall be made on the result of the cultivation and after due discussion, rewards shall be allotted to those who have done good work, and fines imposed on those who have been remiss." In the matter of the marketing of the crops Nonaka invented a new institution very much akin to a modern industrial guild. A monthly meeting was held at the shrine of the local god, where, after listening to a report on the result of the farm work, the assembly decided whether or not the Shoya representing the village should sell their crop in a city of town or to some other farm village, and appointed a manager, who held office for a month, from among the farmers who could write and cypher. Thus encouraged and protected, the villages prospered and new ones sprang up, upon which Nonaka set out to create a commercial centre to facilitate the movements of the crops and ordered Fukuchi Goroemon, who was well suited for the task, to open up or rather to create a town called Yamadamachi on the bank of the River Monobe in the Maki-gori country, to which he invited immigrants, tempting them with freedom from taxation and other privileges. This new Yamadamachi became at once a flourishing town.

Practise of the Ideas of Confucianism.—The examples given above are chosen from the eras of Kan-ei and Tenwa, when there were many good feudal lords and wise chief retainers in the provinces, who attempted to put into practice the ideals of civil administration taught by Confucius, whose teachings had by then taken deep root in the heart of the general public, and whose tenets were embraced with zeal and reverence by the upper classes. The revised "Regulations of the Military Clans," as about to be issued by the 4th Tokugawa Shogun, contained an article that physicians and diviners might use palanquins, and Hayashi Shinsai, the official Confucianist, proposed to alter the article to give the same privilege to Confucian scholars.

Tokugawa Mitsukuni, the lord of Hitachi, dissented on the ground that those who taught the reading of the books of Confucius or lectured upon them were not the only ones to be styled Confucianists. Men like himself, who studied to administer their provinces in accordance with the teachings of the master, were also Confucianists, and, for his part, he did not want to be classed with physicians. The opinion of so powerful a daimyo prevailed, and the original article was left without correction. In the eras of Kanei and Genroku, every feudal lord had in his train a Confucian scholar from whom they imbibed the ideals of civil administration taught by Confucius, and many of these scholars held important positions in the clan. At the beginning of the Meiji Restoration, only those who knew something of foreign conditions could staff the ministry and be prominent in state affairs, because, though the Restoration was made by military strength, yet after the country was opened it was essential to employ those who were cognizant of the actual state of things in Europe and America. This affords an exact parallel to the Confucian scholars of Kanei and Genroku, and just as in the early days of Meiji many of the so-called foreign experts had only very superficial knowledge and yet were entrusted with important posts, so there were among the Confucianists, so highly respected by the feudal lords and their retainers, many who were not worthy of it ; yet the general tendency to reverence the sage was so strong that his ideals of civil administration were one after another put into practice.

Long Years of Patience were necessary to accomplish the Work of Internal Improvement.—The coasts of the Japan seas with their verdant scenes, woods and grass appear as a very paradise to the eyes of a voyager familiar only with bold and stony hills and mountains and far-stretching deserts. Of course, there is plenty of rain in Japan, which is partly responsible for her verdure-clad shores, but much is due to the efforts of good feudal lords, wise retainers, and public-spirited commoners. As a case in point, before the Tokugawa age a long tract of over 13 ri along the coast from Naoetsu to Kashiwazaki in Echigo was quite a desert, scourged by the north wind, which brought up muddy sand and forbade the growth of tree or grass. The feudal lord sowed millet, and the sparrows attracted by it swarmed down there and fertilized the ground with their droppings so that grass grew and formed a firm soil in which the daimyo planted young pines. The steady growth of the trees proved a barrier to the wind and whirling sand, behind which farming villages could spring up and shelter. Naturally, the development of all the farm villages in Japan cannot be traced back to such an origin, but it is true that before the Tokugawa Age they were often desert wildernesses amidst sand, pebbles, and thickets and were so scourged by whirling sand and muddy floors in times of storm and blast that the inhabitants could not settle down or become attached to the place. It was during the Tokugawa Age that wind belts of wood were created and rivers bridled, as the result of which trees and grass grew and abundance of water made an enjoyable land. The Tokugawa family made many unpardonable mistakes in home and foreign policy, but the glory that is rightly theirs of developing farm villages will live as long as the villages themselves.

CHAPTER LXXXIV

THE MYOMOKU-KIN (NOMINAL MONEY) DURING THE TOKUGAWA AGE

WHAT WAS MYOMOKU-KIN (NOMINAL MONEY)?—The financial system during the Tokugawa Age was not, of course, so perfectly organized as to-day, but considerable progress had been made. We find in this period the Kaisha, similar in its nature to the company of to-day; the Ryoge doing the same business as a modern bank; the Tanomoshi-ko, a monetary organ for mutual help; and the Myomoku-kin. This Myomoku-kin was unique in its nature and origin and fulfilled much the same functions as a bank does now. Originally the Myomoku-kin was a sort of government money, and the term was applied to the money that the Buddhist temples and Shinto shrines under the supervision of the Government, and the Court nobles in Kyoto lent with the permission of the Shogunate to the general people. Since the loan was made under the sanction of the Shogunate, the Tribune was very severe in enforcing payment in case of delay, and it had preferential rights over other debts. In the early days the Buddhist temples, Shinto shrines, and Court nobles supplied all the money, but in course of time the greater part of the funds was furnished by private financiers or the general public, the temples and nobles lending little but their names, hence Myomoku-kin or nominal money. In a few words, Myomoku-kin set up a right in the names of Buddhist temples and Shinto shrines under the direct supervision of the Imperial Court or of the Shogunate, and of Court nobles, and with this right for the centre it invited the general public to invest their money in what was really a joint-stock partnership, which lent money at a very high rate of interest.

ORIGIN OF THE MYOMOKU-KIN.—Its origin can be traced back to the early days of the Tokugawa era. The Tokugawa family had their own large estates scattered over all the provinces, such feuds or estates being called Tenryo, and managed by deputies appointed by the Shogun. These deputies, the Gundai or Daikwan, received the tax rice from the farmers and dispatched part of it to Osaka or Edo. The remainder they sold locally, the understanding being that the money thus raised, together with such taxes as were paid in money, should be forwarded to the Treasury of the Shogunate. The cash, however, lay in their hands for some time, and they utilized this period by lending it at interest to money-brokers who had the *entrée* of their office. In order to protect themselves they stipulated that when the broker in his turn made advances out of the money it should be stated in the bond that the money was Government money and therefore entitled to preferential rights of repayment and certain privileges in lawsuits. When the money from Daikwans in the Tenryos in the south-western provinces reached Osaka, the Lord Tribune there sent it by pack-horses guarded by samurais to Edo, and it will be remembered that the forefather of the present Mitsui family, representing to the Shogunate the waste of labour and expense involved in thus sending the Government money from Osaka to Edo, successfully petitioned for the right to borrow it in Osaka, on a promise to repay it in Edo 150 days later. The Mitsui House utilized this money partly in buying dry goods in Kyoto and Osaka, which they sent to Edo and sold there for cash, and partly in loaning it at interest, incurring no risk in the latter case as the money was Government money and entitled to preferential rights. The Mitsui had no monopoly in this application of Government funds to commerce, and many large merchants in the era of Genroku, who had means of approaching the Shogunate, shared in the privilege, as is proved by the official announcement issued in September 1683, by which it was prohibited to mention in the bond of borrowing that the money borrowed was Government money.

MYOMOKU-KIN AS PRACTISED BY PRIEST AND NOBLE.—When it was found that the Government could profitably and safely lend its money to merchants at interest, Edo began to permit the funds of the Buddhist temples and Shinto shrines under supervision of the Government to be utilized in a similar way, giving them the same privileges as it claimed for itself. In course of time, as we have seen, these temples, shrines, and Court nobles merely lent their names but no actual money, and, while acquiring the privilege for a foundation, drew the capital from the merchant class. The money-lending business thus established, the funds on which they drew were called the Myomoku-kin. In 1727 it was announced by the Imperial Court that 2,000 ryo of gold which had been allotted to Her Imperial Highness Princess Kazuno-miya was to be loaned out to well-to-do merchants, with the exception of those engaged in the exchange business of the Government, and the interest thus obtained used for the temporary expenses of the princess. The money was lent to four merchants. Ninnaji Temple used some of its money in the same way and the borrowers, who pledged their houses and premises as security, lent the cash out again under the name of Government money. The practice became a popular one in the Kansai district, and all the

Government money held in various places was so utilized. In the Kwanto provinces it seems to have come a little later, and in 1765 we find the first announcement connected with it in Edo.

> There being a certain amount of money in the Reiun-in Buddhist temple, which has been granted to it by the Government, it shall be made a permanent fund for the repair of temples and pagodas, and loaned out to the general public. Those, therefore, who are desirous of borrowing this money shall apply for it. In the case of delay in repayment, the Reiun-in Buddhist temple will complain of it to the office of the Tribune, which, after due investigation, will order the borrower to make repayment.

EVILS OF THE MYOMOKU-KIN.—Thereafter loans of this kind increased year by year and gave rise to many evils, causing the Shogunate to issue the following order in 1775 respecting Buddhist temples and Shinto shrines: "When Buddhist temples petitioned the Government for the permission to lend out their money, the petition was granted, but it shall be so no more. In case it be absolutely necessary for the Buddhist temple to make such use of its money, the cash shall be handed over to the office of the Tribune, so that he or the Daikwan may lend that money to the village or town nominated." Chief among the evils of the system was that the creditor, having at his back the authority of the Government, used to press unduly for payment. Debts must, of course, be repaid, and it is right to demand payment in case of arrears, but the authority of the Government was used to cover sheer oppression. A man lending money in the name of a royal prince or a Court noble was acting purely as a usurer, but because of the money lent being Myomoku-kin the creditor would often go so far as to break into the house of his debtor, and forcibly carry off some young woman or the debtor's daughter as a pledge of repayment. Against this drawback attaching to the system of Myomoku-kin must be placed the fact that it was the only means to accumulate capital in a safe place, to employ it profitably and with perfect security under the protection of the authorities, a combination of advantages by no means to be despised.

PROHIBITION OF THE MYOMOKU-KIN.—As we have seen, the original investors in Myomoku-kin were the royal princes and the large Buddhist temples under the supervision of the Government, their object being to obtain a revenue that could be applied to the upkeep of masolea, pagodas, and temple fabrics. When the capitalists came on the scene, the money simply begat usury, and the princes and temples were made instruments of their greed, for which reason Lord Matsudaira Rakuo, when he became Premier in 1789, abolished the privileges which had so far attached to the Myomoku-kin.

The system, however, had developed on a firm economic basis, supplying necessary capital for the carrying on of business, and no Government order could completely destroy it. Myomoku-kin became again as powerful a monetary organ as before, and though the Shogunate was inclined to take restrictive measures against its prevalent employment, it failed to do so.

Loan Fund of the Temples in the Three Mounts of Kumano. The Myomoku-kin organized by Daté Jitoku, the father of Count Mutsu, the well-known Minister of Foreign Affairs in the Meiji era, in connection with the temples in Mount Kumano, affords an excellent example of organization and efficiency.

The capital, which was granted the privilege of Myomoku-kin on the ground that the profit from its use was to be applied to the upkeep of the temple fabric, was made up as follows :—

1. 2,000 ryo of gold, donated for the upkeep of the temples by the Shogun Yoshimune.
2. 1,000 ryo of gold, the gift of the Shogun in the era of An-ei (1772–81).
3. 7,500 ryo of gold, collected by soliciting the people all over the country in Bunkwa (1804–18), and increased by the proceeds of a licensed lottery.

To this total of 10,500 ryo of gold was added 89,500 ryo of gold invested by the general public including both samurais and commoners, making the capital 100,000 ryo, which increased year by year as the investing public enlarged its interests until it reached 600,000 ryo of gold. The sum of 2,000 ryo contributed 80 or 90 years before by Yoshimune had no doubt been long exhausted, and it was only included in the capital to obtain the privileges granted by the Shogunate. In fact, the greater part of the capital was provided by the public who hastened to pour their money into a fund which was treated as Government money with preferential rights and state protection. When this loan fund began to yield large profits and became a powerful monetary organ, the household of Lord Tokugawa of Kii took direct control, making it the monetary organ of the Kii clan, locating it first at Tsukiji in Edo, and then removing it to a part of the mansion of Lord Tokugawa in Shiba. A purple curtain was hung up before the office, a signboard bearing the legend " Loans made " displayed, and banking business publicly transacted.

The household of the Kii branch of the Tokugawa family appointed a president, manager, and clerks to carry on this loan office, and extended the scope of their business by establishing branches in Kyoto, Osaka, Nara, and Sakai. Their efforts were rewarded by success, especially in Edo, where the feudal lords, large and small, vied with one another to take advantage of the facilities offered them. The loan office never lacked a supply of capital, which naturally flowed into the quarter where it was protected by Government from all risks, and the feudal lords on their part were saved from the humiliation of borrowing from city merchants, and from the embarrassing delay which sending for money to their country manors frequently involved. Even such wealthy feudal lords as Maeda and Shimazu often found it convenient to take up money from this loan office, which grew and grew until it was just like a great bank of to-day. Part of the profits were taken over by the Tokugawa household, which sealed up the money in the family treasury, and in an emergency during the Meiji Restoration was able to offer 30,000 ryo of this money for the use of the national Treasury. Moreover, when the samurais to the number of 3,000 in the service of Lord Tokugawa of Kii in Edo had to return to their native places, as the result of the Meiji Restoration, all their expenses were defrayed from this fund, out of which also the steamship *Chi-en-maru* was bought. In fact, the benefits this " sealed money " brought to the clan and household of the Kii Tokugawa in various ways were incalculable.

ABOLITION OF THE MYOMOKU-KIN AND ITS BOOKS.—As soon as the great deed of the Restoration of the Meiji era was accomplished, the Government issued an order in March, 1st year of Meiji, prohibiting Myomoku-kin loans in the name of Imperial princes and Court nobles, and cancelling the loans and debts thus made, and in certain cases mentioned below, the Government took over certain loans, paying in bonds, nominally on the ground that the general public had put up the money, trusting in the priestly name, but actually for political reasons.

Maintenance fund of His Holiness Prince Chion-in.
Travelling expense to Edo of His Holiness Prince Chion-in.
Household expenses of the Chion-in Buddhist temple.
Upkeep expenses of priests' seminary.
Expenses of His Highness the Prince.
Succession expenses of His Holiness the Prince.
Miscellaneous expenses of His Holiness the Prince.
Expenses of the religious administration.

There were, of course, many other Myomoku-kin loans made by Buddhist temples and Shinto shrines in general, but as they were not taken into the debts of the Government and paid in Government bonds, the investors in these Myomoku-kin all lost their money.

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